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10 SEPTEMBER 1986

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German 12 Jul 86 pp 22-37

[Article by Eberhard Grabitz, Otto Schmuck, Sabine Steppat and Wolfgang
Wessels: "Is the European Parliament Doomed to Powerlessness ?"]

[Text] I. Disappointed Hopes Following Direct Election

In 1979, direct elections to the European Parliament were held for the first time ever. At that time, it was hard to tell what kind of role this supra-national institution (which is not comparable to a conventional national assembly) might be able to play as part of the political system of the European Communities. Accordingly, the novel practice of European elections was accompanied by far-reaching hopes and expectations as well as by skepticism and apprehension--depending on one's overall outlook. To be sure, the first direct election did not result in an expansion of parliamentary prerogatives which had long been criticized by parliamentary deputies and political observers as being inadequate; but prior to 1979, the general view was that a directly elected parliament would attain greater political influence on the basis of the increased legitimacy accruing to it as a result of the election process and, as time went by, ~~would fight for and~~ succeed in obtaining greater decision-making powers.

By now, expectations of this sort have given way to disappointment and a more sober assessment of the situation. European elections have become a "normal political event." In the view of the European Parliament and its membership, the campaign and the results of the second European election in 1984 were rather unsatisfying. National issues predominated in almost all the EC member nations. The 59.1 percent voter turnout was relatively low as compared to the 62.4 percent who voted in 1979. In the FRG, voter turnout even declined by 8.9 percent. In discussions among the experts, the election was characterized either as a--failed--European referendum or as a national election of lesser significance.²

There are various reasons for this relatively scant interest in the European election and the institution as such. The main reason frequently cited is the political impotence of the Parliament which is tied to its lack of genuine authority. The voters feel that the European Parliament's role in the EC decision-making process³ is a minor one. The media take only slight notice of its activities.⁴ Accordingly, public awareness of the institution is slight as well.⁵ European deputies, political observers and EC citizens queried by polling organizations all agree that the role presently played by the European Parliament in the EC context neither reflects the hopes and expectations aroused prior to the 1979 election, nor the formal democratic legitimacy bestowed on the parliament by the voters in the election process.

All attempts thus far by the European parliamentarians to enhance the stature of their institution --particularly in the area of legislation-- have been largely unsuccessful. The quasi-constitutional "Draft Agreement on the Establishment of a European Union"⁶ which was adopted by the European Parliament on 14 February 1984 just prior to the second direct election was scarcely noted by the governments of the EC member states which play a predominant role in the further development of the EC system. Instead, the representatives of the EC governments reached agreement in February 1986 on a "Uniform European Act" which provides for only minor substantive improvements for the European Parliament.

On the basis of these experiences there is little reason to expect that the European Parliament will attain to a stature within the EC context that is comparable to that of the national assemblies anytime soon--as a decision-making body for legislative acts and the election of a European executive. And yet it is these two facets which are of crucial importance⁸ in conveying the traditional image of the exercise of parliamentary powers. This fact, in turn, preprograms, as it were, the disappointment felt by the man-in-the-street and the parliamentarians who interpret the actions of the European Parliament for the most part on the basis of their national experiences. As a result, the public may turn its back on the institution to an greater extent by turning out in even smaller numbers in future elections for candidates which cannot be viewed as belonging to the first rank of the national political parties in terms of their political influence.

In that sense, the European Parliament is at a crossroads today. It will either succeed in developing a far more marked independent profile and in convincing the voters of it or it will be shunted aside politically for a long period of time which would have a serious impact on its own institutional significance and on the political credibility of the EC system and the instrument of direct elections.

The object therefore is to create and communicate a parliamentary image which does justice to the institutional and political role of the European Parliament within the context of the present EC system and which will provide orientation to the voters as to their expectations; to the politicians as to their activities and to the political observers as to their assessment of the body's work. But efforts along these lines must not be limited to mere cosmetics. Even an image which is more closely patterned after the actual capabilities of the European Parliament than heretofore does not make wide-ranging reforms of its responsibilities, its mode of operation and its information activities vis-a-vis the public at all unnecessary--because the voter needs to feel that the European Parliament is an institution which is making a valuable contribution to the EC system. This is the only way to avoid further irritants and disappointments. The growing integrative tendencies within the European Community, however, tend to pose a strong counterweight to any such democratization and parliamentarization.

This article lists a variety of functions to help evaluate parliamentary activities and raises the question as to the extent to which the directly elected European Parliament has been able to meet its parliamentary responsibilities up to this point. The article concludes with a number of suggestions as to how the Parliament might fulfill these functions more efficiently in the future and how it might develop a new parliamentary image by accentuating specific fields of activity. But first, we will attempt to explain some of the special features of the EC system which are necessary for an understanding of the role played by the Parliament.

II. The European Parliament as Part of the European Community System

1. Integrative Aspects of the EC System⁹

The problems which the European Parliament faces are based in large part on the peculiarities of the political system within which it operates. The European Community system can neither be described as a state in the traditional (federated) sense in which parliament, as a democratically legitimated decision-making body, is assigned a powerful role in legislation and the election of the executive, nor as a classical model of international cooperation in which parliament (as a more or less non-essential institution) serves as a relatively insignificant forum for debate both in the political and legal sense. Instead, this system provides for both cooperation and coexistence as between the EC and its member nations. It is a system which makes major decisions which concern the public and which is characterized by a large number of models of delegating authority and regulating procedures. The three primary characteristics of the EC system include the entire range of political issues influenced by the EC system (the so-called "functional range"); the legal division of responsibilities as between the joint and the national level and the institutionalized problem-solving structure.

Integration or interlocking relations is a way of defining a dynamic process involving the expansion of the functional range of the EC system which leads to increased legal overlapping and intermingling of national and EC responsibilities and a rather cumbersome decision-making process based on the principle of consensus and dominated by the various national governments.

The EC system of today includes far more than the joint areas of activity listed in the 1951 and 1957 agreements which established the European Coal and Steel Community, the European Atomic Energy Community (Euratom) and the European Economic Community (EEC). The limits of the system are not very exact and are, in fact, redefined by the politicians from time to time depending on particular interests and problems. New issues, once included in the activities of the EC system by member states, however, tend to stay on the agenda. Today, there are a great many joint activities by the member states which are a part of the EC system but over which the community did not exercise any control at the outset. These are in addition to the traditional EC responsibilities, e.g. for customs, commerce and agricultural policy. These issues pose serious institutional problems for the European Parliament, since its own decision-making powers are basically restricted to the area of responsibility covered by the EC. The organs employed by the EC in the area of legislation and/or administration may be divided into three distinct categories:

On the joint level, the EC possesses clearly defined responsibilities for the various organs. Decisions are reached according to the procedures set down in the EC treaties. Budgetary actions are financed from the EC budget. In this regard, the European Parliament does have some limited decision-making powers such as the authority to take part in decisions on drafting the EC budget or to lodge a vote of no confidence in the commission. But these parliamentary privileges are not equally effective in all areas of EC business. In addition, the Parliament has the right to take part in legislative actions in the form of obligatory parliamentary hearings on council decisions.

On the coordination level, the community does not possess any specific authority of its own. Authority over the activities of the agencies operating in this field remains exclusively with the member states which have an interest in making coordinated use of national institutions in order to meet common problems efficiently. The procedures employed include tacit agreements as well as coordinated actions (e.g. voting in a body at international conferences, as in the case of the European Payment System or European Political Cooperation) and coordinated efforts stipulated by treaty, as in the case of economic and foreign exchange policy. In this field, the European Parliament enjoys a handful of selected, non-contractual privileges, e.g. the right to query the European Political Cooperation presidency; but it does not have any decision-making or participatory powers.

On the mixed level, a variety of instrumentalities is used which are based on both national and EC powers. In the case of "mixed agreements" with third nations such as the Lomé Agreement which today includes as many as 66 developing countries or in the case of educational and social programs of action, national and European responsibilities are combined so as to be able to attain the desired goal in a comprehensive fashion and with a minimum of legal complications. On this mixed level, the European Parliament has access to non-contractual possibilities for participation such as the right of inquiry but to decision-making and participatory privileges only insofar as community prerogatives are involved.

On each of these three levels, the division of responsibilities as between the community and its member states is defined differently. Although there are some marked distinctions, one might compare the joint level to the traditional, supraordinate federal model where the EC member states occupy a subordinate position vis-a-vis the community even if they do play a dominant role in the decision-making process on this level by virtue of the application of the consensus principle. Conversely, the member states call the tune on the coordination level while the community itself has no authority of its own in this field and may at best provide organizational and substantive assistance. On the mixed level, the EC and its member states cooperate on an equal footing on the basis of the "twelve plus one" formula.

Since the early seventies, the interlocking aspects of the EC system have been growing apace. The member states were not prepared to accept an expansion on the joint level but directed their efforts toward consolidating national instrumentalities on the coordination level and toward coupling national and EC instrumentalities on the mixed level. The reason for this was their wish to avoid further loss of sovereignty and the disturbing influence of institutions they considered uncontrollable--among them the European Parliament. This is reflected in the efforts by the governments to exert dominant influence on the joint level as well. Although the original intention was to vest supranational decision-making powers in the EC agencies, the governments prevented both the Parliament and the EC Commission from assuming positions of real power by their insistence on the unanimity principle, by their establishment of extremely close ties between the Committee of Permanent Representatives and the Council and by the assignment of wide-ranging responsibilities to the numerous administrative committees established within the EC organizational structure.

Accordingly, the national government representatives occupy a dominant position today in the decision-making process in all sectors of the EC system--albeit to a greater or lesser extent in the different areas. It is their aim to exercise greater national control in all those instances where a proposed joint program might have an impact on their own national control over policy. They are on the lookout for solutions which hold out limited gains for all concerned, since they are unable to deal with the specific problems effectively enough on their own. The consensus principle imposes a high level of immobility and weakness in decision-making on the

participants. On the other hand, there is a relatively high level of acceptance and stability of the overall system. There are two reasons for this. On the one hand, the public in the EC nations tends to accept the European-level activities of their national politicians with their national credentials, e.g. members of cabinet, government officials and representatives of interest groups. On the other hand, the positions taken by the national political figures are based on a domestic consensus achieved over the long term in a national debate involving the political parties, interest groups and the media. Any compromise achieved on the European level which is founded on this domestic consensus can therefore be implemented on the national level without much resistance in most instances. Thus, the EC system of interlocking relationships has attained a high level of stability and acceptance despite--or perhaps precisely because of--its cumbersome decision-making process.

But the same cannot be said of the democratic legitimacy of the decision-making process in view of the fact that both the national parliaments and the European Parliament are by and large excluded from the negotiations among the government bureaucracies. A compromise between participating governments must be painstakingly worked out and is frequently considered of such great value that parliamentary comments are all but disregarded. Democratic participation is thus viewed as a bothersome irritant.

2. The Institutional and Political Role of the European Parliament

The interlocking relationships within the EC system thus have far-reaching consequences on the way the European Parliament operates. Its influence depends to a large extent on whether it can have an impact on the use and composition of different EC bodies and if so, how much. But the fact is that decisions within the EC system are not reached mechanically in accordance with legally determined rules because it is not only the actual rights the participants may have to influence decisions but, more importantly, the power relationships at the time decisions are made.

Because of the prevalent efforts to achieve consensus the preference is for package solutions which hold out gains for all participants in recognition of the fact that there will be some disadvantages as well. The influence a given decision-maker can exert will depend most of all on whether he is able to offer his fellow players something, in the way of "positive sanctions" or can deny them something by way of "negative sanctions." The sanctions themselves must not directly be related to the matter at hand. The Parliament, for example, may try to obtain concessions from the Council on pending legislation by adopting a particular position in the budget debate.

At present, the European Parliament has a relatively weak repertoire of sanctions at its disposal¹¹ --in fact, one which is longer on negative than on positive sanctions and which is directed primarily at the Council and not at the Commission which plays a far more important role in the decision-making process. Its contractual and non-contractual powers and participatory options may be divided into three categories: decision-making powers; participatory options and non-contractual participation models.

Decision-making powers by the European Parliament are those which entitle it to determine or co-determine use of an instrumentality or the end result of a particular process. This applies to non-obligatory expenditures contained in the EC budget, i.e. the kind of expenditures which are not directly determined by community regulations, and the vote of no confidence in the Commission.

Participatory options are defined as contractual arrangements which guarantee the participation of the European Parliament in the decision-making process while not allowing the Parliament to "dominate" either the process itself or its end result. This applies primarily to those instances, enumerated in the treaties, which dictate that the European Parliament must be heard on legislation to be adopted by the Community.

Non-contractual participation is defined as any type of participation granted to the European Parliament by other bodies or agencies but which is neither legally binding nor actionable, e.g. the transmission of information in accordance with the Luns/Westerterp procedure regarding EC trade and association agreements; the right of inquiry vis-a-vis the presidency of the European Political Cooperation or the formal coordination process in legal matters.¹²

The enactment of the so-called "Uniform European Act," signed by representatives of the governments of the EC member states in February 1986 serve to augment the rights of the Parliament slightly in that it is given new decision-making powers with regard to the signing of association agreements under article 238 of the EEC Treaty and in case of a further expansion of the European Community.¹³ But with regard to legislation viewed as more significant by the Parliament its participatory options were merely upgraded, since the Council wished to reserve final decision-making powers for itself with regard to legislative matters. It is difficult to tell at present how this new cooperative arrangement agreed upon by the Council and the Parliament which primarily applies to decisions on the domestic market will work out in practice. But the reactions by the European Parliament to the Uniform European Act have already indicated that this agreement is not viewed as satisfying the need for reform both in terms of institutional procedures and the division of responsibilities within the Community by any means.¹⁴

The preceding analysis shows that the decision-making powers and participatory options of the Parliament apply to joint or community concerns and insofar as EC responsibilities are concerned to the mixed agreement level. Non-contractual types of participation may also apply at the coordination level. The assignment of materials to the joint and/or mixed sphere represents a necessary but not a sufficient condition for the European Parliament's ability to exercise influence on legal grounds. At the coordination level, the Parliament cannot make its ideas prevail against the will of the national governments and administrations. In the mixed sphere, it can take advantage of its decision-making or codetermination options only in exceptional cases and then only insofar as joint undertakings are involved. At the community level, on the other hand, selected decision-making powers may enable Parliament in individual instances to have its position prevail even against the will of other decision-makers, e.g. during the budget process. But in major areas of concern to the community as a whole, e.g. in EC trade and agricultural policy, the Parliament has no decision-making powers whatever which, in turn, limits its options for exercising influence.

The analysis of the EC system of interlocking relationships thus leads us to the conclusion that the national governments permitted the European Parliament to assume decision-making powers only in those areas which they regard as being of lesser significance and in which their own national political prerogatives are only slightly curtailed while keeping exclusive decision-making powers for themselves in all major agencies and expenditure-intensive areas. To a large extent therefore the European Parliament is prevented from further development in accordance with the traditional parliamentary image of a decision-making body in legislative matters and in the election of a European executive.

3. The Search for a Credible New Image

The consequences arising from this institutional role played by the European Parliament are alarming. The voters called upon to participate in the election were irritated because the institution they were supposed to elect did not in any way correspond to the kind of directly elected popular assembly with which they were familiar on the national level. The political parties and the media did not succeed in communicating anything like an alternative image. One symptom of the decline in voter interest in the European Parliament was noted in an empirical study of the second direct election which indicated a slight but detectable correlation between awareness of the existence of the Parliament and an assessment of the significance of that institution.¹⁵ According to the study, greater awareness of the Parliament's lack of significance may lead to greater willingness to boycott the election out of protest--which surely is a matter that should give pause to the responsible political leaders.

Existing studies provide only a few indications of a redefinition of the role of the Parliament. The commentaries on the draft treaty of the European Parliament for the establishment of a European Union are particularly outspoken in their adherence to the traditional parliamentary image. Critical statements and new ideas have been the exception.¹⁶ In theory, there are three ways of resolving the existing problems:

1. Direct European elections should be abolished in view of the fact that they merely constitute an interesting but problematical experiment in the sense that they are not appropriate to the EC system.
2. The responsibilities of the European Parliament should be rapidly and comprehensively enlarged so that the Parliament may assume a role within the EC system comparable to that of a national popular assembly as soon as possible.
3. A new parliamentary image should be developed and communicated which does justice to the institutional and political role of the European Parliament. But this would have to be accompanied by specific reforms of its responsibilities and its internal organization which would lend the kind of importance to the Parliament within the EC system commensurate to its directly elected status and--perhaps even more significantly--would establish a closer relationship between it and the voters.

From the point of view of democratic standards and political realities, neither of the first two alternatives offers any promise for the future. This leaves us with the third option, i.e. the development and communication of a new parliamentary image which does justice to the position occupied by the European Parliament.

First attempts to create such a new image have been noted since the first direct election in 1979 but thus far they have not yet resulted in anything like a specific image which differs from the traditional parliamentary image.¹⁷ A research project jointly sponsored by the Institute for Integration Research of the Europa-Kolleg Hamburg Foundation and the Institute for European Politics in Bonn attempted to develop suitable evaluation standards for the European Parliament. The research project took the expectations connected with the introduction of direct European elections as well as the position occupied by the Parliament in the organizational structure of European institutions into consideration. The study developed a functional diagram which offers an opportunity to place the diverse parliamentary activities into a general context. The way in which the European Parliament fulfills these functions could provide the basis for a new parliamentary image for these institutions.

III. The Three Functions of the European Parliament

1. Functional Characteristics

Western parliamentary theory provides us with a great number of functional catalogs to help measure and evaluate parliamentary performance. Functions are defined as the basic tasks performed by parliamentary bodies in support of the existence and preservation of the political system under which they operate.¹⁸

In line with Walter Bagehot's classic functional scheme, the German Bundestag, for example, was assigned the functions of choosing a government; articulation; initiative, legislation and control.¹⁹ Other functional schemes lay particular stress on the hard-to-describe task of communication between members of parliament and their voters;²⁰ the recruitment of political leadership elites²¹ and the resolution of social conflict--as in the case of the U.S. legislatures studies.²² It seems obvious that functional schemes of this kind cannot be directly applied to the European Parliament, since it is not entitled to elect a European government or to exercise any real influence on EC legislation because of the difference between the EC system and a conventional nation state. On the other hand, some major areas of the Parliament's responsibilities--in particular its commitment to the onward development of the EC system into an active and democratically legitimated "European Union," were not taken into consideration.

2. Policy and System Development, Interaction with Electorate Are Main Tasks

Given the organizational peculiarities of the EC system and the variety of demands and expectations connected with the European Parliament, its parliamentary functions may be defined along the following three lines:

The policy development function refers to the ability of the Parliament to initiate, co-determine and control current policies within the existing EC system. A large part of the Parliament's activities is dedicated to this function. This is achieved by taking continuing advantage of the decision-making and co-determination powers set down in the EC treaties and of other non-contractual forms of participation.

The system development function refers to the Parliament's contribution to the onward development of the EC system toward a new integration status which is frequently defined by the deputies themselves as a "European Union." With regard to this function, the activities of the Parliament in the three areas typical of the EC system (i.e. functional range, division of responsibilities between the EC and its member states and institutional problem-solving structure) need to be investigated.

The interaction with the electorate function refers to the relationship between the voters and their parliamentary representatives in the three areas of articulation of citizens' concerns; elaboration of acceptable positions capable of attaining a majority and mobilization of the public on behalf of political goals. In the context of the EC system of interlocking relationships the need for a close link between the Parliament and the electorate is particularly acute since the virtual absence of transparency makes it difficult for the voter to follow the political decision-making process which increases the danger of widening the gap between the citizen and his elected representative even further. It is of particular interest in this context to see whether and how the directly elected European Parliament--a "new" institution, as it were--can help create a different kind of relationship between the average citizen and the EC system.

By restricting ourselves to these three functions, we have purposely presented the reader with a surveyable evaluation scheme which establishes a clear focus on various types of parliamentary activity. Those who are primarily concerned with the work of national parliaments may find our consideration of the system development function odd, since they may be more familiar with the policy development and interaction with the electorate functions--perhaps by a different name. Our focus on system development which does not apply to national assemblies in relatively saturated political systems in the same manner as it does to the European Parliament is an expression of the dynamics inherent in the EC system as well as of the efforts of the Parliament itself to help develop this system onward in the direction of more capacity for action and democratic practices.

IV. A Provisional Functional Balance Sheet

When one tries to draw up an interim balance sheet in the middle of the second election period on how good a job the European Parliament has done since the first direct election in June 1979, one comes up with a diversified and far from uniform picture. It did succeed, to be sure, in fulfilling some aspects of its three parliamentary functions in an intensive manner but at the same time the limits to the effects its vastly increased activities since 1979 have had are also apparent. Even after the introduction of direct EC-wide elections the Parliament was unable to make a substantial impact on the organizational characteristics inherent in the EC system of interlocking relationships which militate against a stronger position for parliament. Although it did take greater advantage of the responsibilities assigned to it, the Parliament continued to play a role of minor importance. The national governments offered strong resistance even to changes based on pragmatic considerations. Specifically, we might offer the following general observations regarding the three functions:

1. Policy Development Function

In dealing with this function, the deputies have made a sustained effort to introduce initiatives of their own into the EC system with regard to existing policies or policies to be newly developed. The Parliament has done a good deal of work and has developed procedures for making "seismicographic" suggestions on how to deal with problems relating to the European Community, Western European society and the international system. It has thereby developed a kind of self-image as the conscience of Europe and as an idea factory of the community itself. In doing so, it has profited from the variety and multiplicity of political trends and the personal ambitions of its deputies but also from the lack of success which frequently followed its announcements of many an unrefined proposal and many a contradictory formula for compromise.²⁴

Many of the Parliament's proposals cannot really be termed original intellectually. As is the rule in pluralistic societies, ideas are constantly developed onward in the interplay between politicians, scientists, the media and government officials. But within the context of the Community, the Parliament has frequently served as the initiator and amplifier of a spirited debate without the voters being adequately informed of this circumstance by the media.

The steady stream of ideas, concepts and programs has been absorbed in different ways in the EC system of interlocking relationships. Many proposals went no further than being published in the form of a resolution in the official Community gazette. Often, the parliamentarians failed to follow up or lobby on behalf of their ideas in a way that would have helped the Parliament to have a real impact on the Community agenda. Other EC agencies as well as the public found it difficult to follow and absorb the myriad of resolutions and statements by the European Parliament which frequently failed to reflect a clear set of priorities.

The ability of the Parliament to have an impact on policy development decisions depends to a large extent on its own prerogatives and equally so on the policy matter at hand and the state of negotiations at the time a package solution is being worked on. If a novel subject matter is being dealt with--as in the case of development or human rights policy--the Parliament can²⁵ (and in fact did) exercise relatively great influence on the decision. As far as the budget is concerned, it was able to raise its share of outlays, i.e. the abovementioned non-obligatory expenditures, from 16.04 percent to 25.06 percent between 1979 and 1984²⁶ and maintain a number of surprisingly firm positions, e.g. on the issue of returning Great Britain's financial contribution and on the establishment of new budgetary items.²⁷ The Parliament's efforts met with less success in the area of legislation. The formal coordination procedure of 1975, intended as a first step toward obtaining prerogatives in the legislative field, came to nothing in view of the fact that the Council rarely paid any heed

to the Parliament's wishes. Only on very rare occasions was a compromise²⁸ on differing points of view achieved on the basis of equality.

There has been a positive trend with regard to the European Parliament's ability to join in working out foreign policy positions. Its influence has been felt most of all in the development policy and human rights policy of the Community and the European Political Cooperation. Some of its statements have been viewed as being of major political importance by third countries.²⁹ Perhaps these constructive efforts have been a factor which led the governments of the EC member states to grant decision-making powers to the Parliament in the matter of association treaties as part of the limited reform of EC treaties agreed upon in February 1986.³⁰

The Parliament has been paying a great deal of attention to the exercise of its control functions. It has set up its own budget control committee which carefully watches over the economic use of budgetary funds. It has developed additional procedures and instrumentalities the application of which has resulted in greater transparency in at least one area of the interlocking system. But major aspects of the negotiations inside the national government bureaucracies and in the area of national implementation (particularly the internal council debates and the work of the administrative committees) are still largely inaccessible to the Parliament. The negative sanctions the European Parliament is able to impose have been restricted to only some of the responsible officials and in particular to the Commission itself. But the Parliament's rejection of the 1980 and the 1985 budget as well as its lodging a complaint against the Council for idleness have brought out a new note both in terms of setting political priorities and exercising its control function.

All in all, the European Parliament has expanded its role in policy development but has been unable to take advantage of the hopes raised in connection with the 1979 election in any major area. It has not been possible to make up for the lack of decision-making powers by increased legitimacy alone. The Parliament has been trying to make up for this shortcoming by greater concentration on its system development function.

2. System Development Function

In the system development field, the European Parliament has pursued a dual strategy calling for a "comprehensive new order of the EC system" and a "policy of small steps."³¹ It pursued the former with the adoption of a draft treaty for the establishment of the European Union in February 1984--which took the principle of the division of responsibilities as between the Community and the individual member states as its point of departure. By tabling this resolution, the Parliament clarified its position with regard to all three elements of the EC system, e.g. functional range, division of responsibilities and institutional organization. Thus far, the proposal has not been implemented even though the member governments did manage to reach

limited agreement on a reform of the Community. The draft resolution by the Parliament appears to have provided major impetus to the intensive debate on reforms between 1984 and 1986. But a comparison between the "Uniform European Act" and the treaty draft makes it clear just how little³² influence the Parliament has had on the substance of the Community reforms.

Along with this far-reaching "big picture" strategy, efforts were made to achieve a large number of partial reforms. But a detailed analysis of the result of these efforts shows that there are great limits to this "filling-in-the-gaps" approach as well. Leading members of the Parliament have said that they feel that this policy has been a failure.³³ During the first term of Parliament there was no sign of a "medium range strategy" which might have concentrated on specific treaty changes--leaving³⁴ aside the unsuccessful attempt to introduce uniform election procedures.

In its attempts to bring about institutional changes, the European Parliament encountered strong resistance by the member governments. To some extent, the governments justified their position by referring to the limitations imposed upon them (in their view) by their own national constitutions and so blocked all efforts to expand the decision-making and participatory powers of the European Parliament--even with regard to³⁵ ancillary issues, e.g. the failed reform of the coordination procedure. The European Parliament made some institutional progress only by being provided with additional information, particularly by the president of the Council of Europe and the European Political Cooperation; by way of procedural upgrading³⁶ and by way of a more precise definition of its treaty powers.³⁷ The "Uniform European Act" of February 1986 brought some limited gains for the Parliament which did not satisfy its demands however--particularly in the area of legislation.

All in all therefore, the Parliament was unable to do real justice to its system development function. It succeeded in making points only on the issue of expanding the responsibilities of the EC system, e.g. to novel educational, development and security policy matters. Taking advantage of its budgetary powers, it was able to make progress on these issues through the introduction of new budget line items.

3. Interaction Function

Since the introduction of direct European elections relations between the members of the European Parliament and their voters have not changed appreciably. A number of indicators, e.g. the results of various public opinion polls and the voter turnout for the second European election, have shown that the recognition factor of the European Parliament among the public has not increased since the introduction of direct European elections. In addition, voter commitment to the Parliament has been spotty although latent interest in the institution is considerable--at least in

the FRG.³⁸ Nor has the approval rating of the EC system improved as a result of the direct election and the activities of the Parliament. To be sure, the European Parliament has managed to articulate moods, opinions and interests by virtue of its increased membership and more diverse representation and has even built on it; but it has not been able to mobilize the voters, e.g. on the unemployment or environmental protection issue.

The lack of commitment to the Parliament is probably due to the fact that the voters were disappointed that the politicians did not make good on their 1979 promise that the Parliament would play a more important role within the EC system. Another reason might be that the voters have not been given an adequate opportunity to follow the diverse activities of the Parliament due to the minimal media coverage given to them.³⁹ Between 1979 and 1984, interest groups, acting as significant mediating agents, have been seeking stronger ties to the European Parliament. Nonetheless, they still assigned a much higher priority to their efforts⁴⁰ to gain access to national governments and the EC Commission as a rule.

The parliamentarians' activities among the voters, political parties and interest groups have greatly increased but the experience of a good many members of the Parliament has shown that both European policy and their⁴¹ own work are not viewed as particularly important by the rank-and-file. In budgeting their time, most members of the Parliament face a conflict between their commitment to their parliamentary work (which ties them down at least 3 weeks each month as a rule) and their political activities back home. The deputies, taking part in plenary sessions, committee meetings, caucus meetings, closed-door sessions and official travel and appearing before European-oriented groups and congresses, run the risk of getting caught in a round of discussions and activities which take place in an arena not identifiable by the media or the voters as one of importance for decision-making processes affecting crucial contemporary issues. The national parliaments and political parties have not been of great assistance to the European Parliament in the interaction field.

4. Vicious Circle of Impotence ?

Drawing up a balance sheet on how successful the European Parliament has been in fulfilling its functions, we find that there has been some progress in the areas of initiative, control, expansion of responsibilities and the reconciliation of divergent interests. Less progress has been made in the area of decision-making, mobilization, modifications in the division of responsibilities among the EC and its member states and the further development of the institutional structure of the EC system. The reasons for this far from satisfactory outcome are closely and reciprocally related. They might be described as a vicious circle of impotence with weaknesses in the implementation of specific functions feeding on each other or at least making for a perpetuation of the status quo.

The limited faculty of the Parliament to have a hand in shaping EC policy makes for a lack of interest on the part of the voters, political parties as well as the media and interest groups in its work and this, in turn, limits the Parliament in its efforts to do justice to its interaction function. The consequence of this state of affairs is that the European Parliament finds it difficult to mobilize political forces on its behalf to help shape policy within the interlocking system and that it lacks the strength to achieve systemic changes, i.e. through the enlargement of its own responsibilities and modifications in the division of responsibilities overall. In the absence of the assignment of new responsibilities to the European Parliament, on the other hand, and in the absence of added political authority granted by other decision-makers, the Parliament will not be able to play a greater role in shaping policy--which returns the whole argument back to its starting point.

The vicious circle in which the European Parliament is caught is merely an extrapolated version of the problems which we encountered in our analysis of the priority and complementarity of the direct election process and the expansion of responsibilities in the seventies.⁴² The break-out from immobility hoped for as a result of the direct election never happened. The interlocking EC system has grown even more complex. Prior to the direct election, national politicians in several member countries vowed not to agree to any enlargement of the responsibilities of the European Parliament--at least not in the absence of fundamental changes⁴³ in the treaties and constitutional provisions in the national system. The European Parliament did not have a political force adequate to the task of countering this.

V. Prospects for the Future

In looking at the way in which the European Parliament has been able to fulfill its functions, we have seen that it did make substantial contributions to the EC system but that there also were distinct shortcomings with regard to some functions (or some aspects of these).

As in the case of national parliaments,⁴⁴ there is no particular need for the European Parliament to do justice to all functions in equal measure. On the one hand, the deputies can make a choice as to which issues they will concentrate on and which tasks will be given lesser attention for a time. On the other hand, the requirements listed under the functions are not exclusively within the province of the Parliament. In actual practice, other agencies, even in the member states, often take over a leadership role at least in some fields based on their responsibilities and expertise, e.g. governments and administrative bodies, while the Parliament restricts itself to issuing occasional guidance and taking necessary corrective action. On balance then, we are faced with a mixed evaluation of the European Parliament's performance of its functions. There are strengths and weaknesses; but the latter do not necessarily call for any "dramatic" reactions.

In order to avoid a backlash resulting from the disappointed hopes aroused by the direct election process, it is imperative to develop a clear definition of the parliamentary responsibilities of the European Parliament and to communicate this to the voters. Through emphasis on specific functional areas, a new image may then emerge which will offer points of reference both for expectations and critique. This will need to be done on the basis of the present role of the European Parliament within the context of the interlocking European Community system and its limited options for reform. The aim of such an effort will be to clarify and pay tribute to the achievements of the Parliament and at the same time, to critique its shortcomings. Above all, the voter will have to be given to understand that a parliament which claims to represent a totality of interests cannot and will not be able to operate in a system-conformist fashion while imbedded in an interlocking apparatus which itself operates on the consensus principle. Accepting this as a given, a parliamentary image can be constructed which displays the following three characteristics:

Priority is assigned to the exercise of democratic controls over the policies of the EC system by the European Parliament. At least during the course of a transition period, decisions are made by the national governments legitimized through the national election process. Democratic controls of decision output and implementation, however, are the responsibility of and are exercised by the European Parliament. Since no all-European government exists at this time, whose views the Parliament might have to respect, it will be in a position to exercise these control functions more effectively than many a national parliament.

Secondly, the importance of the Parliament is accentuated with regard to the initiative function. In view of its specialized character and its intensive work on all Community matters, the Parliament (which reflects the regional and political trends within the Community and can thus serve as a forum for conflict resolution) might be in a position to point out ways to deal with topical problems in direct competition with the Commission and the national government bureaucracies. In some instances, these proposals are taken up and implemented by other decision makers. At least during the course of a transition period therefore, the Parliament will not be in a position to act as a predominant decision-making institution. Instead, it will have to engage in lobbying and persuasion (in the way associations active within the EC system do) with the national governments and bureaucracies to get its points across.

Thirdly, greater emphasis is placed on the interaction function of the European Parliament and of every individual deputy, particularly in the area of articulation. Because of the poorly defined party discipline as compared to that customary in the national parliaments, the individual member of the European Parliament is much more likely than his national counterpart to receive specifically European requests from his EC constituents and to serve as a mediator between the Community and the

ordinary citizen. The parliamentarians might also pay more attention to the interests of the different regions which are looking for more influence on the European level. For another thing, the European Parliament could carve out a role for itself as a kind of moral institution or "European conscience" as was already evident during the first election period.

If the Parliament succeeds in doing an effective job of fulfilling these aspects of its functions, this might be communicated to the voter as an instance of a significant and realistic participation by an elected popular assembly in an interlocking system ruled over by national states and as a gain for the democratic process. It remains to be seen, however, whether any plan such as this will work and whether it will be supported by the voters. There is good reason to expect that the tension between the structural elements of the EC system which oppose an upgrading of the Parliament and the voters who are still oriented toward the traditional parliamentary image but hope for greater decision-making powers by the Parliament will continue.

The future role of the European Parliament in the decision-making process will depend to a large extent on future developments within the EC system as a whole. As the fate suffered by the draft treaty for the establishment of a European Union has shown, the Parliament's influence in these matters is limited at best. If the tendency toward interlocking arrangements keeps on growing, the Parliament will scarcely be in a position to have a greater impact on decisions than heretofore. But if there is movement toward "European Union," that vague concept supported by the majority of the members of the Parliament, i.e. toward a more effective and more democratic association of European states, then the Parliament, too, must begin to play a more important role in some respects. Even if this did come to pass, it would be wrong to expect the European Parliament to do justice to global decision-making functions over the long term. It is far more likely that the Parliament would be granted additional selected decision-making powers in case favorable conditions prevailed. The parliamentary budget might be one area in which this might happen.

Despite these reservations, the direct election process is likely to be viewed by the voters as a necessary step in the future as well even if some false hopes were raised and justified hopes were not fulfilled quickly enough because of the voters' conceptions based on their accustomed view of their own national parliament. Except for the system development function, the list of functions proposed here has consciously been left open-ended to allow for dynamic future development of the EC system in which case the Parliament must carve out a significant role for itself as an active planning apparatus. By laying stress on present and future responsibilities, the European Parliament is caught in something of a dilemma between a kind of "disappointing realism" and "starry-eyed hopes for the future" which almost by definition arouses dissatisfaction with the current state of affairs. There is much that speaks for the Parliament's refining

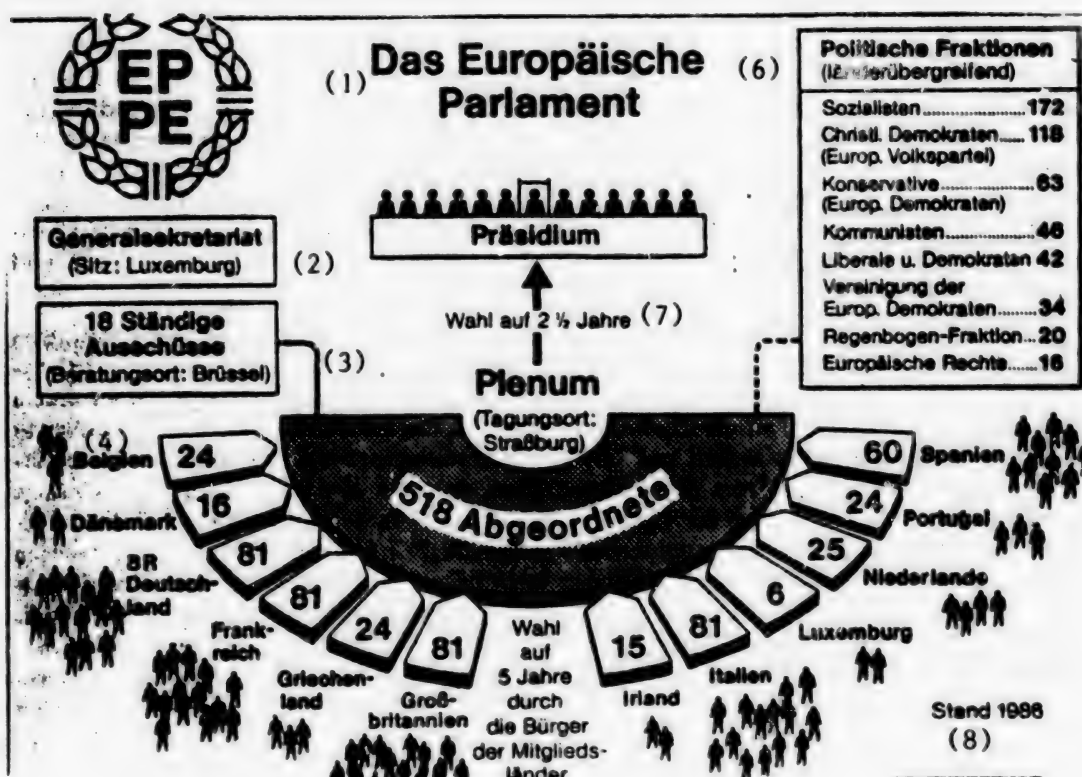
its self-image by outlining its present and future responsibilities simultaneously and on the basis of equality.

The cool reception of the quasi-constitutional draft treaty for the establishment of the European Union by national governments, national assemblies and the European public is proof of the fact that the European Parliament is in no position to change the Community system on its own. To do this, it must acquire coalition partners and these can only be found in the individual member countries--among the national governments, parliaments, political parties and the media. Thus far, the efforts of the European Parliament to find coalition partners have not been too successful--leaving the special case of Italy aside.

Even now, following the ratification of the Uniform European Act signed in February 1986, the pressure for reform of the EC system continues unabated.⁴⁵ The next stage for the debate on integration policy has already been set. Taking the overall political situation into consideration, the potential role of the Parliament in these projected discussions will have to be reassessed.

Any realistic approach by the European Parliament will have to aim toward improving the EC system in a pragmatic fashion, in well defined steps involving partial disengagement process. The Parliament, for its part, might apply a "medium-range strategy" and initiate additional treaty changes in line with Article 236 of the EEC treaty for the purpose of implementing clearly defined specific demands. Limited modifications and their impact can more easily be controlled and, if need be, revised--by those institutions which the EC public still regards as the ones primarily responsible for such matters, i.e. the national governments supported by the majority of the electorate and the national assemblies.

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Key:

1. The European Parliament
2. General Secretariat (headquarters: Luxembourg)
3. 18 permanent committees (meeting in Brussels)
4. Belgium, Denmark, FRG, France, Greece, Great Britain, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain
5. 518 deputies elected for 5-year term by voters of member countries
6. Political fractions (transnational); Socialists; Christian Democrats (European People's Party); Communists; Liberals and Democrats; Union of European Democrats; Rainbow Fraction; European Right
7. Presidium elected for 2½-year term by Plenum (meeting in Strasbourg)
8. Status of 1986

FOOTNOTES

1. On the expectations and motives of the first direct election, see Thomas Laeuffer, "Europa-Wahl--Pro und Contra" [European Election--Pro and Con] in Materials on European Policy, vol. 1, Bonn, 1977; David Coombes, "The Future of European Parliaments, London, 1979, p 6ff; Geneviève Bibes et al., Europe Elects Its Parliament, London, 1980, p 28ff.
2. On the election campaign and the outcome of the second European election, see Rudolf Hrbek, "Direktwahl '84: Nationale Testwahl oder europaeisches Referendum ?" [Direct Election: A National Test or a European Referendum ?], Integration vol 7/1984, No 3, pp 158-166; Juliet Lodge, "The 1984 Euro-Elections: A Damp Squib ?" The World Today, vol 40/1984, No 8-9, pp 333-340; Karlheinz Reif, "Nationale Regierungsparteien verlieren die Wahl zum Europaeischen Parlament 1984" [National Governing Parties Lose 1984 European Parliament Election], ZEITSCHRIFT FUER PARLAMENTSFRAGEN, vol 15/1984, No 3, pp 341-352; comments on election results in EC Commission, Euro-Barometer, No 22, Brussels, 1984, Table 33.
3. EC Commission, Euro-Barometer, No 22, Brussels, 1984, Table 44; EC Commission, Euro-Barometer, No 23, Brussels, 1985, Table 37.
4. Guido Naets, "Le Parlement Européen et les Média" [The European Parliament and the Media] in Rudolf Hrbek et al [eds], "Le Parlement Européen à la Veille de la deuxième Élection au Suffrage universel direct: Bilan et Perspectives" [The European Parliament on the Eve of the Second General Direct Election: Evaluation and Outlook], Bruges, 1984; Niels Sonntag, "Media Coverage of the European Parliament: A Comparative Study," EUROPEAN JOURNAL OF POLITICAL RESEARCH, No 11/1984, pp 215-222; Georg Kofler, "Das Europaeische Parlament und die oeffentliche Meinung. Politische Kommunikation als demokratischer Auftrag" [The European Parliament and Public Opinion. Political Information as a Democratic Obligation], Vienna, 1982.
5. Only 20 percent of a representative sample polled in the FRG in March 1982 were able to state the name of a single member of the European Parliament. Cf. Elisabeth Noelle-Neumann and Gerhard Herdegen, "Die oeffentliche Meinung" [Public Opinion] in Werner Weidenfeld/Wolfgang Wessels [eds], "Jahrbuch der europaeischen Integration" [European Integration Yearbook] 1983, Bonn, 1984, p 308. Also see findings of "Euro-Barometer" polls conducted on behalf of the EC Commission: Euro-Barometer, No 20, Brussels, 1983, Tables 19 and 20; Euro-Barometer No 21, Brussels, 1984, Table 1; Euro-Barometer, No 22, Brussels, 1984, Table 34.

6. The "Draft of a Treaty for the Establishment of the European Union" by the European Parliament, dated 14 February 1984, is documented in "Jahrbuch der Europaeischen Integration 1984", Bonn, 1985, pp 404-425.

7. The "Uniform European Act" of February 1986 is documented in EUROPA-ARCHIV, vol 41/1986, No 6, pp D 163-182. For an evaluation from the point of view of the European Parliament, see Klaus Haensch, "Europaeische Integration und parlamentarische Demokratie" [European Integration and Parliamentary Democracy], EUROPA-ARCHIV, vol 41/1986, No 7, pp 191-200.

8. On the parliamentary system in general and on a definition of parliamentary functions, see Walter Bagehot, "The English Constitution," London, 1964; European Parliament General Secretariat [ed], "Europaeische Integration und die Zukunft der Parlamente in Europa" [European Integration and the Future of the Parliaments in Europe]; a symposium held in Luxembourg on 2/3 May 1974, Luxembourg, 1975; Suzanne Schuettemeyer, "Funktionsverluste des Bundestages durch die europaeische Integration" [Bundestag Loss of Functions As a Result of European Integration], ZEITSCHRIFT FUER PARLAMENTSFRAGEN, vol 33/1978, No 2, p 263ff; Winfried Steffani, "Parlamentarische und praesidentielle Demokratie. Strukturelle Aspekte westlicher Demokratie" [Parliamentary and Presidential Democracy. Structural Aspects of Western Demoractic Systems], Opladen, 1979.

9. On the following passages, see Fritz W. Scharpf, "Politikverflechtung: Theorie und Empirie des kooperativen Foederalismus in der Bundesrepublik" [Interlocking Political Processes: The Theory and Practice of Cooperative Federalism in the FRG], Kronberg, 1976; same author, "Die Politikverflechtungsfalle: Europaeische Integration und deutscher Foederalismus im Vergleich" [The Interlocking Political Process Trap: A Comparative Study of European Integration and German Federalism], POLITISCHE VIERTELJAHRESSCHRIFT, vol 26/1985, No 4, pp 323-356; Helga Haftendorn, "Verflechtung und Interdependenz als Strukturbedingungen westdeutscher Aussenpolitik" [Interlocking Processes and Interdependence as Structural Aspects of West German Foreign Policy] in same author [ed], "Verwaltete Aussenpolitik. Sicherheits- und entspannungspolitische Entscheidungsprozesse in Bonn" [Bureaucratic Foreign Policy. Decision-Making in Bonn on Security Policy and Détente], Cologne, 1978, pp 15-38. Stanley Hoffmann, "Reflections on the Nation-State in Western Europe Today," JOURNAL OF COMMON MARKET STUDIES, vol 21/1982, No 1/2, pp 21-38.

10. On "mixed agreements, see Albert Bleckmann, "Der gemischte Vertrag im Europarecht" [Mixed Agreements According to European Law], *EUROPA-RECHT*, vol 11/1976, No 3; David O'Keefe/Henry G. Schermers, "Mixed Agreements," Deventer, 1983.
11. On the powers of the European Parliament, see Eberhard Grabitz/Thomas Laeuffer, "Das europäische Parlament" [The European Parliament], Bonn, 1980, pp 119-175; Jean-Paul Jacqué et al., "Le Parlement Européen" [The European Parliament], Paris, 1984, pp 178-226; Michael Palmer, "The European Parliament. What It Is, What It Does, How It Works," Oxford, 1981, pp 25-63.
12. More detailed information on this subject in Grabitz/Laeuffer, p 161ff. Also see John Forman, "The Conciliation Procedure," *COMMON MARKET LAW REVIEW*, vol 16/1979, No 1, pp 77-108.
13. Cf. footnote 7.
14. On the European Parliament resolution of 16 January 1986 regarding the "Uniform European Act," see EC Official Gazette C 36, 17 Feb 86, p 144f.
15. Jacques-René Rabier, "Ou sont donc les citoyens de l'Europe ?" [Where Are the Citizens of Europe Now ?]. Paper presented at the ECPR Workshop "The 1984 Direct Elections to the Euro-Parliament" held in Barcelona in March 1984. The statements are based on information contained in Euro-Barometer, No 22, Brussels, October 1984.
16. On this subject, see for example the statements by the 12 experts at the public hearing of the Bundestag foreign relations committee on 2 October 1985 on the draft treaty submitted by the European Parliament; documented in German Bundestag, 10th session, Foreign Relations Committee, protocol of 52d meeting (pp 712-2450). Also see, Juergen Schwarze and Roland Bieber [eds], "Eine Verfassung fuer Europa" [A European Constitution], Baden-Baden, 1984.
17. A more detailed analysis in Eberhard Grabitz/Otto Schmuck, "Das europäische Parlament im Verflechtungssystem der EG--Handlungsspielraeume, Rollenbeschreibung, Funktionen" [The European Parliament as Part of the Interlocking EC System--Its Radius of Action, Its Role and Its Functions], *ZEITSCHRIFT FÜR PARLAMENTSFragen*, vol 15/1984, No3, pp 427-440.
18. Cf. footnote 8.

19. Cf. Uwe Thaysen, "Parlamentarisches Regierungssystem in der Bundesrepublik Deutschland" [The Parliamentary System of Government in the Federal Republic of Germany], Opladen, 1976, p 13ff.
20. See Klaus von Beyme, "Grundtendenzen in der Entwicklung der Funktionen des Parlaments in Westeuropa" [Basic Trends in the Development of Parliamentary Functions in Western Europe], European Parliament, General Secretariat [ed], 1970, footnote 8, p 14.
21. This is specifically mentioned by Claus Schoendube, "Das Europaeische Parlament vor der zweiten Direktwahl, Bilanzen und Perspektiven" [The European Parliament on the Eve of Its Second Direct Elections: Achievements and Prospects], Bonn, 1983, p 174.
22. Cf. Michael L. Mezey, "Comparative Legislatures," Durham, NC, 1979, pp 10, 47ff; Gerhard Loewenberg, "The Role of European Parliaments in Managing Social Conflicts], LEGISLATIVE STUDIES QUARTERLY, vol 3/ 1978, No 1, pp 1-9.
23. Also see Roswitha Bourguignon-Wittke/Otto Schmuck, "Demokratisierung des EG-Systems durch das direkt-gewaelhte Europaeische Parlament ? Eine vorlaeufige Bilanz der ersten Wahlperiode" [Democratization of the EC System by the Directly Elected European Parliament ? An Interim Evaluation of the First Election Period], INTEGRATION, vol 7/1984, No 2, pp 91-116; Roswitha Bourguignon-Wittke et al., "Five Years of the Directly Elected European Parliament," JOURNAL OF COMMON MARKET STUDIES, vol 24/1985, No 1, pp 39-59.
24. There have been contradictory statements by the European Parliament above all in its comments on the establishment of EC farm prices. Divergent demands were raised regularly during the course of the budget debate in the December session and the agricultural debate in the different April sessions.
25. This became apparent for example with regard to the priorities in famine aid as part of EC development policy and again in the case of the aid cutoff to Turkey following the 1980 military coup.
26. Figures cited by Pietro Adonnino, "L'influence du Parlement sur les politiques communautaires par le biais des ses pouvoirs financiers" [The Influence of Parliament Over Community Policies Through Its Fiscal Powers] in Rudolf Hrbek et al [eds], op. cit., footnote 4, p 765; also data provided by the general secretariat of the European Parliament.
27. New budget line items were established e.g. to cover programs for youth exchange, for fighting hunger in the world and for the establishment of a center for small and medium-sized businesses and crafts.

28. Between 1975 and 1984, 46 coordination procedures were applied for. Of these, only 10 were taken care of in the regular manner; the remainder was either not dealt with by the Council or was shelved or settled in some other fashion.
29. On this topic, cf Norbert Gresch, "Die aussenpolitischen Funktionen der EP-Fraktionen: Ein doppeltes Rollenverstaendnis" [The Foreign Policy Functions of the Various Fractions of the European Parliament: A Dual Role], INTEGRATION, vol 6/1983, No 1, pp 24-33.
30. Article 9 of the Uniform European Act of February 1986, footnote 6, D 167.
31. Cf. Klaus Haensch, "The Reform Proposals: The Strategy of 'Small Steps' Versus the General Reform" in Hrbek et al., [eds], pp 136-173; Altiero Spinelli, "The Constituent Role of the European Parliament," THE FEDERALIST, 1985, No 1, pp 72-81.
32. Rudolf Hrbek/Thomas Laeuffer, "Die Einheitliche Europaeische Akte. Das Luxemburger Reformpaket: Eine neue Etappe im Integrationsprozess" [The Uniform European Act. The Luxembourg Reform Package: A New Stage of the Integration Process], EUROPA-ARCHIV, vol 41/1986, No 6, pp 173-184.
33. Altiero Spinelli, "Die parlamentarische Initiative zur europaeischen Union" [The Parliamentary Initiative for European Union], EUROPA-ARCHIV, vol 38/1983, No 24, pp 739-746.
34. Cf Seitlinger Report, meeting records of the European Parliament, 1-988/81/A, B, C.
35. This reform fell through because of Danish resistance and despite prior agreement by the heads of state and government.
36. E.g. in the area of hearings, controls, the Luns-Westerterp procedure and the integration into the European Political Cooperation.
37. We might mention the "Isoglucose" ruling of the court in 1980; the ruling on the 1985 suit against the Council for inactivity in the transportation field and the budget dialogue on 30 June 1982. More details in Bengt Beutler, "Mehr Macht durch Recht ? Das Europaeische Parlament vor dem Europaeischen Gerichtshof" [More Power Through Law ? The European Parliament Before the European Court], EUROPA-RECHT, vol 19/1984, No 2, pp 143-154; Eberhard Grabitz, "Das politische Ermessen des Rates. Zum Urteil des Gerichtshofs in Sachen Verkehrspolitik" [The Political Judgment of the Council. On the Court's Ruling on Transportation Policy], INTEGRATION, vol 8/1985, No 3, pp 103-107.

38. Dates for visitors' groups to the European Parliament are regularly fully booked far ahead. German groups make up about half of the visitor total.
39. Cf. footnote 4.
40. On this general subject, cf Barbara Burkhardt-Reich et al, "Die europaeischen Interessenverbaende" [The European Interest Groups] in Werner Weidenfeld/Wolfgang Wessels [eds], "Jahrbuch der Europaeischen Integration 1983," Bonn, 1984, pp 284-298; Barbara Burkhardt-Reich/Wolfgang Schumann, "Die Agrarverbaende in der EG" [The Farm Organizations in the European Community], Kehl, 1983.
41. Cf. Oskar Niedermayer, "Europaeische Parteien ? Zur grenzueberschreitenden Interaktion politischer Parteien im Rahmen der europaeischen Gemeinschaften" [European Political Parties ? On Transnational Interaction by Political Parties in the Context of the European Communities], Frankfurt, 1983, p 153.
42. This connection was already pointed out specifically in the Vedel Report, the report of the ad hoc group for the study of an enlargement of functions of the European Parliament in EC Bulletin, Supplement 4/72.
43. Statements along these lines have been made by French and Danish politicians in particular.
44. Cf. U. Thaysen, op. cit., p 94ff.
45. More detailed information in Wolfgang Wessels, "Die Einheitliche Europaeische Akte--Zementierung des Status quo oder Einstieg in die Europaeische Union ?" [The Uniform European Act--Perpetuation of Status Quo or a First Step in the Direction of European Union ?], INTEGRATION, vol 9/1986, No 2, pp 65-79.

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CSO: 3620/776

FATHER, SON CLASH PUTS VERY EXISTENCE OF RURAL PARTY AT STAKE

Helsinki HUFVUDSTADSBLADET in Swedish 16 Jul 86 p 2

[Editorial by Bjorn Mansson: "With a Party As the Stakes"; first paragraph is introduction]

[Text] The believability of Pekka Vennamo's statement that he is resigning the Rural Party chairmanship is discussed by Bjorn Mansson, who observes that Veikko Vennamo's life's work is now at stake. If he wants to save it, he should resign.

Threatening to resign in order to get one's way is a well tried method in politics. President De Gaulle, for example, was a master of this tactic in his time—even up to the time of the fall which he brought about himself, that is to say, was forced to carry out his threat after the result of a referendum went against him.

Now the question is whether Pekka Vennamo, the chairman of the Rural Party, is more skillful than De Gaulle or whether he too will have to carry through with his threat and resign. Yesterday's statement was unambiguous enough so as not to leave much space to retreat. Yet it is hard to believe that at its party congress in a few weeks the Rural Party will really have to elect a new party leader. Besides, who in the world would that be? Urpo Leppanen?

"A sort of coming to terms with myself" was the heading of Pekka Vennamo's column in yesterday's edition of the TURUN SANOMAT. In fact, it is more a question of coming to terms with his father, the honorary and group chairman Veikko Vennamo. Just about every reading of the text is so obviously directed at him, beginning with a reminder about one of the classical definitions of politics: the art of the possible.

What significance do the parties have, then, Pekka Vennamo asks, after first referring to the parliamentary regulation which stipulates that a number of parliament is to be committed only to what is right and true. It is of interest to note that just last week, in his column in the party organ SUOMEN UUTISET, Veikko Vennamo had referred to the parliamentary regulation to vindicate the rebellion of some Rural Party members of parliament against the government front. That column contained in addition a sharply worded protest against "the technocrats," party secretary Niiranen's reprimand of the rebelling members of parliament.

Pekka Vennamo is now skillfully pitting the freedom of members of parliament and the membership of the party against one another. Is a person elected to parliament as the representative of an idea or as an advocate of his own views, he asks rhetorically--and his question is obviously sent in a certain direction.

The party leader also refers to the fact that the system in which the membership depends on its parliamentary group's ability to come up with good decisions worked well in the opposition, but "appears not to work" when the party is part of the government. Can distrust of the parliamentary group and its leadership be stated more clearly?

Pekka Vennamo also criticizes the group for still wanting the party to stay on in the government, but then not until all elements are prepared to work in accordance with it. Then Pekka Vennamo really turns caustic towards his father when he wonders whether the honorary chairman thinks that only he and others like him--but no one else--have a profound conviction they must follow...

The bitterness only increases when the party chairman puts members of parliament into two categories: those who have "self-assumed freedom" or those who "carry responsibility." It is more than obvious which of the categories Pekka Vennamo puts his father into.

The situation is untenable, he states, and goes on to set up a couple of plausible contrasts: the art of the possible versus tactical propaganda and the views of the individual versus the common good. It is obvious at whom this is directed.

Pekka Vennamo also comes right out and says that the working committee under father Veikko's leadership within the parliamentary group had become the party's shadow executive. A harsh assessment which the real facts of the case certainly contradict.

Among Pekka Vennamo's reasons for stating that he "cannot continue as chairman of the Rural Party," he makes special reference to his private life. Mention of his family has already been interpreted to mean that his resignation should be viewed as believable.

At the same time, Pekka Vennamo has made the sharpest dig of all at his father: he does not wish to follow in his father's footsteps if it is a question of losing "the ability to maintain contact with those who are nearest and dearest to me, my wife and children." These are extraordinarily harsh words--from any son about his own father. Obviously contacts between father and son have been completely broken off.

If mention of the family can be seen as increasing the believability of a resignation, on the other hand there are at least a few circumstances which point in the opposite direction. One of these is that in an almost satirical vein Pekka Vennamo chooses to name five possible candidates for the leadership of the party: with the exception of Veikko Vennamo (!), they are four

of the members of parliament who rebelled the most loudly against the party's involvement in the government. In addition, all four lack any semblance of the qualifications required of a party chairman. The intention therefore would seem to frighten people in the party with some sort of "worst case" scenario.

The other circumstance which makes it difficult to see the threat to resign as being seriously meant is the phrase "the situation can be resolved only if one of us (Pekka or Veikko) resigns." Here the chairman of the party hints at an alternative solution...

The question is still whether he will be satisfied with father Veikko Vennamo's statement yesterday that he relinquishes his chairmanship of the group. But yesterday the group did not elect a new chairman, but rather the door was left formally open at least.

It appears there are now two options. The first is for Pekka Vennamo immediately to retract his decision to quit, by referring, among other things, to the fact that Veikko Vennamo will resign instead. It would be well understood, if this happened, that the father would not even run in next spring's parliamentary election. This scenario would be a repetition of what happened in December 1984, when Pekka Vennamo very quickly withdrew his threat to quit the government--after having gotten certain guarantees, which proved to be empty ones, that the parliamentary group would change its behavior.

The second option is that the position will remain open all the way up to the party congress at the beginning of August. In that case, party delegates would have to determine the outcome of the duel between Vennamo father and son.

At any rate, one thing is clear: occupying two chairs, the government's and the opposition's, is no longer just a question of deliberate tactics. The rift between the two lines is a real one and can no longer be bridged. The party must make up its mind.

The game Pekka Vennamo is now playing has high stakes, nothing less than the existence of a party is at stake. A Rural Party without a Vennamo is completely inconceivable. Or can anyone imagine Urpo Leppanen, he of the excuses, as party leader?

For old Veikko Vennamo, the hour of truth has arrived: if he wants to save the party he created himself, he should see he should resign. He can scarcely loath his son so much that he would let his life's work go down the drain.

Whether it is worth saving is quite another matter. But the voters will decide that.

12789/12899
CSO: 3650/277

BRIEFS

DEMOCRATIC ALTERNATIVE OFFICIALLY REGISTERED—The Democratic Alternative Federation, which was founded by those districts and units which split off from the Communist Party, has been entered in the party register. There are now 12 officially registered parties in Finland. In April Taisto Sinisalo was elected chairman of the central committee of those organizations which split off from the Communist Party. The most recent party to be recorded in the party register at the Justice Ministry was the Pensioners Party of Finland which registered last December. The Pensioners Party does not have a name in Swedish. [Text] [Helsinki HUFVUDSTADSBLADET in Swedish 16 Jul 86 p 3] 12789/12899

CSO: 3650/277

SPECULATION ON POSSIBLE LOSERS IN OCTOBER MUNICIPAL ELECTIONS

Athens TO VIMA in Greek 22 Jun 86 p 4

[Article by Kh. K. Bousmbourelis: "Who Will Lose in October?"]

[Text] It would be very difficult for one to believe that the statements by National Economy Minister Simitis accidentally coincided with the climax of the Olympic Airways' crisis. The restrictions presently proposed on overtime and employment of pensioners are surely portending some other restrictions regarding so-called high-salaried persons.

The government statements present as such pilots and flight engineers even though they are not the most high salaried. They are fewer in numbers--380 in all. Thus, for the government a confrontation with them is--politically--less costly than a similar confrontation with 38,000 others whose salaries are much higher than those of the 380.

This coincidence cannot be anything else but a warning. It happens following the views Bank of Greece Governor Dim. Khalikias expressed a while ago and the visit of EEC Commission Chairman Delore, but it also happens much earlier than the municipal elections.

This column has supported--during unsuspecting times--that "there are things which take place 6 months after the elections but not 6 months before." The only difference is that such elections are the parliamentary ones which overthrow the parliamentary majority and not the municipal elections which in Greece, at least, are contests of impressions.

Yet, if in the next months the government undertakes confrontations similar to that of Olympic Airways, it will mean that it is not concerned in advance about the results of the municipal elections in large cities. This would mean that the government is confined that in no way can Miltos Evert [the ND candidate] win the [Athens] mayorship on the first Sunday [first round] and that Dim. Beis [of pasok] will win the run off on the second Sunday because he will be supported by voters of the Left in addition to those of PASOK.

Such confidence is not unrealistic. Even if the leadership of the leftist parties recommended to their followers to abstain from the polls or to cast

blank ballots--something totally improbable--it is not at all certain they would follow such recommendations.

The Political Consequences

Thus, as concerns the government, the October municipal elections are depoliticized significantly--at least in Athens. This does not mean the elections will not have a particularly strong political character concerning the progress and fate of the parties and of the ticket of the major opposition. In other words, more simply and directly:

--If all predictions are wrong and Evert is elected mayor on the first Sunday, Mitsotakis and not Papandreou will suffer loss of prestige.

--If the Democratic Renewal [DI.ANA] ticket succeeds in reaching a four-digit number on the ballots instead of getting 5 percent of the votes as the occasional polls show, then DI.ANA's fate should be considered as having reached a definite end.

--Finally, if the Greek rally followers and the unaffiliated voters receive little more than 4.37 percent of the 1985 elections, then the Leonidas Kyrkos policy is justified and the future of his revamped KKE-Int. party has good prospects.

--If the unified ticket KKE intends to prepare gains on the first Sunday significantly more than the 18 percent V. Efraimidis received in 1982, then the discontents, the purged, etc., will surely have the right to feel they represent something more than themselves and their close friends. But what if KKE does not get much more than 18 percent?

With an optimism reaching the limits of illusion, they [KKE followers] want to convince each other that "30 percent is a moderate prediction for the first round." But for such a figure to be attained a world-shaking event--not, of course, the visit by M. Gorbachev--must take place before the elections which will violently reverse the process of deradicalization which is already apparent.

In the view of those who hope to attain the magic 30 percent, it is assumed the government has implemented one-sided austerity measures, jeopardized the rights of the working people, etc., etc. The trouble is that these working people seem to give much time credit to the government. The mobilizations seem to be organized more by the unions than the masses.

The Biggest Danger

But in addition to the aforementioned "ifs" and the lack of massive reactions, the government faces the biggest danger not connected with the election results, whatever they may be. There is the danger of deadlock. Many rest with the idea that since there is not an alternative solution--and there

is none--the government is perhaps improvising. There are others who feel that A. Papandreou more than anyone else has an intuition about the masses' thinking and very few of his ministers can implement this policy of taking two steps forward and one backward--a policy which keeps pace with the changeable disposition of modern Greeks.

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CSO: 3521/220

PAPER ARGUES AGAINST NO CONFIDENCE UNTIL NONSOCIALISTS UNITE

Oslo AFTENPOSTEN in Norwegian 5 Aug 86 p 2

[Editorial: "Stand Together!"]

[Excerpts] Confronted with the economic and tax policy drafts which we are gradually beginning to see the outlines of, there is reason to anticipate a vote of no confidence in the Harlem Brundtland government during the fall budget discussion in the Storting. For our own part we have difficulty in understanding how the Storting's nonsocialist majority will be able to accept a political course which the majority of nonsocialist voters doubtlessly perceive as sheer provocation. This dictates that a clear nonsocialist alternative be worked out in connection with the discussion of next year's State budget.

A breakthrough for an alternative nonsocialist policy, however, stipulates that the three former government parties--the Conservative Party, Christian People's Party and Center Party--have the political will to stand together. This applies especially to the formulation of certain tax-policy principal lines of development, something which they incidentally were well on the way with when they in the spring of this year had to surrender the power of governing to the Labor Party. Later the in-between parties, as we know, went dangerously far in compromising with the Labor Party, and we to a great extent share Ex-Prime-Minister Kåre Willoch's hope that the same parties will not continue in the same direction. If so, this would render impossible the formation of a new nonsocialist three-party government in the present situation. The objective of a nonsocialist government must certainly be for it to conduct a nonsocialist policy.

In consideration of the tax policy's fundamental importance for stimulating the desire to make an effort and initiative and accordingly contributing to vigorous growth in the economy, it ought to be able to be expected that the coalition parties will hold firmly to the principal lines the former ones agreed on. Most probably this will also be the result if they first make up their minds to assume the responsibility of governing. Therefore, we must ask that they do not act now in such a manner that they throw away this possibility.

Success for nonsocialist policies presupposes working together and the will to assume responsibility. In order to avoid landing in the situation Willoch cautions against, the nonsocialist parties ought to aim at being able to present a joint alternative during the budget discussion in the fall. Now it is important to stand together.

GOVERNMENT'S FUTURE: SCENARIOS FOR UPCOMING CHANGES

Interplay of Personalities

Lisbon O DIABO in Portuguese 29 Jul 86 p 2

[Articel by Jose Miguel Judice]

[Excerpts] The previous article dealt with the date on which early legislative elections most likely would occur. My conclusion indicated the second quarter of 1987.

The matter of interest now is to learn how it will be possible for the government to survive until the first quarter of 1987 knowing (or imagining) what Cavaco Silva's strategy will be and especially, the reactions of a party adrift and without rhyme or reason, as is the PRD. Immediately after the reopening of the assembly (in mid-October) the government must present the 1987 budget accompanied by a legislative package that will require authorizations from the assembly or favorable votes from the majority of its members. At that time, Cavaco Silva will very clearly condition his remaining in the government on the budget not being perverted and on the legislation being approved or facilitated. If that legislation does not pass, then Cavaco Silva will present his resignation to Mario Soares at a time when it is completely unrealistic to admit the possibility of a PS/PRD government with the parliamentary support of the PCP.

In that case, we would have elections at the beginning of January, which is still too early for Vitor Constancio. And, however much above partisanship Mario Soares must have to appear to be, in his own interest, he will tend not to do anything that will be especially detrimental to the PS if, and to the extent that, that does not demand special partiality. The most likely thing will be to try to see that elections do not take place at a time when they will cause confusion with the presidential elections 4 years later and, for that reason, to postpone them for some time.

It is true that the PRD may completely bend its strategy and its deputies may enter the sheepfold upon the arrival of the shepherd, and begin to share in the admiration that Ramalho Eanes says he has for Cavaco Silva despite being (badly) accustomed to the anarchy of not having anyone in charge. On the other hand, it is also true that the good shepherd is again casting doubt on

whether or not he is going to join the PRD: "My entry into the PRD is more or less set," he told SEMANARIO, and the underscoring (mine) is clear in its lack of clarity. But if it is likely that he will join, it is not likely that he will do so to sustain a government that day by day is drawing away from him the voters that Constancio leaves behind.

That being the case, everything will have to be resolved between Mario Soares and Cavaco Silva in one of those negotiated solutions that remain secret and it is not even possible to be certain that they ever existed. Cavaco Silva will have to give Mario Soares some ballast to permit him to make some harsh criticism of the instability, of the excessiveness of government demands; and for his part, Mario Soares will have to guarantee Cavaco Silva that everything will culminate in early elections, much as it may appear in the interim that such will not be the case.

What this means is that Cavaco Silva will have to accept the fact of the crisis dragging a little longer than he would like, and Soares will have to accept the fact that the elections will be a little earlier than he desired. For his part, Constancio will have to loom large during the crisis, assuming the demand of early elections, showing the country his talents and his calmness so that it may become clear to all what is still only an intense yearning on the part of the Socialist secretary general and of those on the Left and the Right who support the virtues of alternation between blocs led by the PSD and the PS: Constancio will have to convince the Portuguese that whoever is against Cavaco will have to vote for the PS. And the moment the election agreement is reached with Soares, Cavaco must play the game of transforming Constancio into his (only) rival, discrediting the sense of a vote for the PRD and the APU.

In order to drag out the crisis, it will very likely be necessary for the acceptance of Cavaco's resignation request to be preceded by efforts and contacts by Soares, which will entail some erosion of the present government, and it will be necessary for Mario Soares to try to find a solution after acceptance of the resignation request, with further meetings and contacts, which this time will end up by entailing some erosion of the president inasmuch as they will prove to be unsuccessful. But in that way, it will be possible to drag out the solution of the crisis until the beginning of Janeiro so that the elections can take place at the beginning of the preferred period.

Is that the way it is going to be or is it not? No one can know because there is a factor that is so personal that it is not feasible to establish a predictability coefficient for it. That is the (difficult) acceptance on the part of Soares, Cavaco, and Constancio of the fact that in large measure each one's interests are reconcilable and that only through reconciliation among those interests may each one of them optimize the possibility of obtaining what most interests him.

The intellectual perception of that fact is difficult. But worse still will be the emotional attachment to what it means. One thing is certain, however. In the crucial phase of the Portuguese development we are experiencing—with the contradictions and challenges that affect Portuguese society, with the given facts that are actually our own and that cannot be pushed aside simply

because it would be preferable if they did not exist—if it should not be possible to establish a solution of the type we have mentioned among Soares, Cavaco, and Constancio, then another historic occasion for a leap forward will have been lost, another possibility of seriously revising the constitution and changing the electoral system will have been postponed, another period of confrontation will be inevitable.

Ramalho Eanes lost (and with him, the country) because he did not know how, or was not able, to harmonize Soares and Sa Carneiro without their ceasing to be poles of democratic confrontation. Have the new political protagonists learned anything in their new roles?

PSD/PRD Alliance Foreseen

Lisbon TEMPO in Portuguese 1 Aug 86 p 28

[Text] Cavaco Silva and Ramalho Eanes are preparing, for November, the formation of a coalition government of the PSD and the PRD that will remove any possibility of early elections and that for the first time in Portugal will guarantee that a prime minister will remain in his position for 4 years. The strategy of the formation of the coalition between the Social Democrats and the Democratic Reformers was settled between the two politicians at the various meetings they have held outside of their respective party directorates and will reach its high point in October when the Assembly of the Republic begins to discuss the state budget for 1987 and Ramalho Eanes formally assumes the leadership of the PRD. The accusations of the PSD against the Democratic Reformers regarding the defeat of the farm legislation and the PSP regulatory statute, and the suspension of contacts between the two parties are also part of the same strategy in order to insure Ramalho Eanes a grand reentry on the political scene.

Scenarios Commented On

Lisbon O JORNAL in Portuguese 1 Aug 86 pp 8-9

[Text] Granted as certain that a crisis is going to break out in October, basically precipitated by Cavaco Silva, what can Mario Soares do in his capacity as president of the republic?

For the president of the Republic there can only be four logical measures, two of them being automatic.

The first would that of again inviting Cavaco Silva, as the leader of the most-voted party, to form a new government.

In the face of the eventual refusal of the current prime minister who, everything leads to believe, will demand early elections, Mario Soares could opt for another solution, this one also automatic and stemming from the constitutional text: to invite the leader of the second largest party, namely, Vitor Constancio.

The third possibility would be that of considering that none of the previous solutions would contribute to stability and, in that case, for him to take the initiative himself. Thus, Soares would turn to the parliament, inviting it to establish a minimum program and to name personalities who could lend body and soul to a government.

The fourth possibility would be that of calling early elections. In that last case, the president of the republic would certainly leave Cavaco Silva in a "double-boiler," turning his government into a mere managing Executive to be replaced only by the team that would assume its duties after the election.

The first solution--to invite Cavaco Silva again--stems from the constitution. It is normal practice in a democracy and will probably have only a formal effect inasmuch as the prime minister will advocate elections with the argument that he will not be able to govern with the present parliament.

The second solution is equally normal in all Western democracies. Among us, however, it has some impediments: the meager 20 percent that the PS obtained last October; the fact of the president of the republic having been the leader of that party and could be accused of favoring it; and connected with all this, the wearing campaign that the PSD and Prof Cavaco Silva would wage against the PS/Mario Soares duo.

The third solution, for the president of the Republic himself to take the initiative and to "ask" Parliament for a government of independents--not to be confused with the governments by presidential initiative of General Eanes--seems to be the one that most pleases the president.

The fourth solution--to call legislative elections--does not please any of the parties, with the exception of the PSD. This possibility is supported by some advisers of the president of the Republic on the basis of the argument that the formation of a government from which the most-voted party would be excluded would not contribute to political stability, adding to this the fact that it would be difficult for the president of the Republic to explain why he was doing so when this party and its leader are at the peak of their popularity, judging from the polls, which are fallible but in some way contingent on the opinion of the voter. Some advisers argue that this behavior would be identical to Eanes', when the then president of the Republic shunted Soares aside in 1977.

(This report was prepared by the team of: Manuel Beca Murias, Antonio Suarte, Fernanda Mestrinho, Henrique Monteiro, and Rogerio Rodrigues.)

Scenarios

Reshuffle: Only To Broaden the Support Base

With Prof Cavaco Silva and his style, the possibility of a reshuffle has lost the emotional political charge of the previous Executives.

The installation of some secretaries of state occasioned brief ceremonies to which the media gave little prominence. The prime minister wants to be a "maestro" toward whom the public looks obsessively without noticing the changes in the orchestra, even if it is not playing well.

It should be said as of now that if the PSD leader opts for the break, he will not make any prior change in the Executive, limiting himself to one adjustment or another. According to Social Democratic circles, a reshuffle will only make sense if its objective is to seek majority parliamentary support.

Cavaco Silva could choose that course before attempting the break or, in the event that he asks for his resignation, if the president of the Republic, Mario Soares, would invite him again to form a government.

A majority through elections or a majority through accords is the goal desired by Prof Cavaco Silva. The polls tell him that he is close but he is not there. Through accords, the PRD has not helped much recently, and the CDS has already offered to participate in a new AD...except that it does not add up to a majority. For Prof Cavaco Silva, therefore, reshuffling has been only with the end of the minority government experiment; or with an election campaign.

Government of Independents: Possibility Capable of 'Blocking' Cavaco

If Prof Cavaco Silva bets on early elections and that is not the decision of the president of the Republic, Mario Soares, there are three possible solutions:

1. A PS minority government;
2. A PS/PRD coalition government;
3. A government of independents.

The third possibility, unlike what had been the practice of former President Ramalho Eanes, would not be a presidentialist government, as we have already said in this newspaper, but one emerging from a parliamentary majority.

While Ramalho Eanes named the prime minister (Mota Pinto, Nobre da Costa, and Lourdes Pintasilgo) to form an Executive and present a program to the parliament, the process would now be reversed.

The PS, or the PRD with a greater or lesser participation of the PCP or the CDS, would attempt a minimum program and then would present to the president of the republic the names of three or four independent personalities for the position of prime minister.

This Executive would insure the government stability so desired by the electorate which the president of the Republic has always espoused and that all the parties except the PSD would support, since they are not prepared for elections; such is the case of the CDS, the PCP, the PS, and the PRD.

Advantages of This Solution

A government of independents originating in the parliament and not in the presidency of the republic would have the great advantage of maintaining the parties on an equal footing with relation to the inevitable early elections (in the event that this should be the solution).

Independent personalities such as Silva Lopes or Vitor Sa Machado could be some of the names for this Executive.

In this case, the parties--the PS and the PRD--would maintain their relative positions and on an equal footing in relation to the electorate. As the old saying goes: "He who has the fingernails plays the guitar," which means that PS leader Vitor Constancio would have time to assert himself as the alternative to Cavaco Silva and Ramalho Eanes in the leadership of the PRD.

None of these parties would involve itself in the government of independents but would benefit from good management and also from the favorable international juncture.

It would give the Right time to regroup around the PSD (CDS plus the 21st Century Foundation). It would be like a convention of the Right, corresponding to the announced convention of the Left which the PS leader has already reaffirmed for next Fall. All of this, with the independents in power. This government of independents would have full constitutional powers, since it would have majority support in parliament.

Unlike the Eanist governments (with the exception of Mota Pinto's), it would not be a mere managing Executive.

However, it could count on an enormous adverse campaign by the PSD, utilizing the argument that it was a government with a limited horizon, of a Popular Front, and incapable of giving guarantees to the domestic economic agents and in negotiations with the European Economic Community, toward which the Portuguese will have to mount a new offensive in order not to miss the train of advantages and pay for the whole admission ticket.

This solution, which does not displease the president of the republic could also be the threat that would cause Prof Cavaco Silva to think twice before precipitating a government break.

PSD/PRD Coalition: 'Mutual Affinity' on the Altar of Power

It is public knowledge that Eanes is somewhat fascinated by the personality and political practice of Cavaco Silva, a feeling that must be mutual and somewhat contradictory to the fierce opposition that existed between the historic leader of the PSD, Sa Carneiro, and the then president of the Republic, Ramalho Eanes.

Continuing with the possible scenarios: An alliance of parliamentary scope, which could extend to the distribution of positions in the state apparatus even at the government level, would mean at the outset an agreement between the two leaders, and only later a platform of understanding between the two parties.

If this possibility should come about, it would mean a victory within the PRD for the "Social Democratic line," which believes that any alliance or pact with the Socialists, especially based on the leadership of Vitor Constancio, would inevitably cause a reduction of its electorate.

If this alliance between the Social Democrats and the Democratic Reformers should occur, it could portend that the presidential candidate in 1991, Mario Soares, will have a formidable adversary, perhaps with Cavaco's support--General Ramalho.

Continuing to hypothesize, it can be said that, whatever might be the form of this alliance with the PRD (only of a parliamentary nature, or of a governmental nature) which, according to its statutes is obliged to vote in the Assembly of the Republic in favor of the government's program and budget, it would enable the Democratic Reformers to insert their cadres in the state apparatus, create political positions, and establish influence with a view to a forthcoming election.

If, on the one hand, it would free Eanes of the burden and the sensitiveness of directing on a day to day basis a party with a tactical malleability that sometimes confounds its electorate; on the other hand, it would give the former president of the republic a detachment from and at the same time an approach to political forces that he perhaps may need in 1991 in the event that he should seek to run again for the position he occupied for 10 years.

In any case, by making an alliance with the PSD, the PRD would continue to be the pivot of the Portuguese political process, while an identical role would fall to Eanes, in terms of personalities. It is in this positioning at the center of the political area (Social Democracy and Socialism) that the posture of the PRD and its leader gives it particular importance and at the same time makes it grievously precarious, appearing to the eyes of the electorate and the public as a transitory force that would gain consistency and some institutional character only if it were to enjoy the fruits of power, even if it were not a lion's share.

Elections: Only One Wants Them

The demand for elections by the PSD and its leader, Cavaco Silva, will not "a priori" please any other party.

While, for the Social Democrats, that could represent the reinforcement of their weight in political life and of their leader in the power sphere, for the other political aggregations, such a step would lead to the prospect of serious risks.

Although the PS has a new leadership with prestige within the party and among public opinion, it is not yet sufficiently organized. Much as the polls confirm a rise for the PS, just as for the PSD, the Socialists cannot be willing to contend in elections that would reinforce the PSD--except as a last resort. The PRD would run the very likely risk of seeing its election weight and its parliamentary group appreciably diminished. More than that, the Democratic Reformers would lose their pivotal position and see themselves relegated to the role of subsidiaries of the power bloc or of the opposition--then more clearly defined between the PS and the PSD.

The PCP, which for the first time in a similar situation is not demanding early elections, sees itself facing the risk of not only not reinforcing itself (its parliamentary representation is the lowest in the last 10 years), but of losing voters to the PS, now freed of Soares--its historic leader whom a certain Left could not "swallow" until the last presidential elections.

Finally, the CDS similarly fears a disaster favoring the PSD, which more and more appears to be the party of the whole Right. The Centrists, who have been declining from one election to another, fear to see that trend confirmed.

Prime Minister--All or Nothing

What will be the relationship between the government of Prof Cavaco Silva and parliament when the vacations of the deputies and the members of the government end?

The reply to that question will also be the key to the solution of what will happen next October.

The PSD minority government began with arrogance toward the Assembly of the Republic to which the latter responded by "shooting down" all the structural reforms that Prof Cavaco Silva had promised the voters.

As a matter of fact, by including the changes to the agrarian reform knowing that they will not be approved, the prime minister is trying to gain some issues for the eventual election campaign.

Rather than a retreat or a truce with relation to the parliament, the Executive is preparing an indictment of the opposition parties.

With the forthcoming discussion of the budget, we will know how the government and the Assembly of the Republic are going to act. It is the D-Day of the crisis.

Prof Cavaco Silva could provoke another confidence vote which would be "shot down," or cause parliament to lodge a motion of censure. According to some individuals close to the government, the Executive might not fulfill some parliamentary decisions to the letter. If that should occur, the assembly would have no other course than to topple the government.

Banking on the polls and on the strength of his image, Prof Cavaco Silva is betting heavily on public opinion, that is, that the latter will recognize that he is right and be deaf to the arguments of the opposition. It is a risky game for Prof Cavaco Silva, the way he likes it.....

PS Minority Government: PRD in Power Would Be the Worst of All

In the face of a possible refusal by Cavaco Silva to form a new government, and not wanting to call new elections, the president of the republic would have another possibility based on the constitution: to name the leader of the second largest party to form an Executive.

Better Than Elections

For many Socialist leaders, the possibility of Vitor Constancio being called to govern before submitting to an election test is not a remote idea. Despite the fact that it is unprecedented in Portugal to have a government headed by the second party in the political spectrum, that solution is regarded within the PS as being better than elections or a government with the PRD.

The possible elevation of the Democratic Reformers to government power does not interest the Socialists at all. Because, in the understanding of the PS leaders, that would "legitimize" the PRD and confer a more institutional status upon it.

On the other hand, a PS minority government would "tie up" the Democratic Reformers for some time, according to the analysis of the Socialist leaders, and they would find themselves obliged to support it.

First, because elections are not to their advantage nor to that of the PS, for which reason the PRD is obliged to take an interest in any alternative solution.

Secondly, because, as a PS leader declared, the PRD cannot be "worse for the PS than it has been for the PSD." That is, the PRD should facilitate the approval of that government and support it at least in the same way as it did with the PSD Executive.

Finally, in endorsement of that possibility, there are recent statements by the president of the MDP/CDE, Jose Manuel Tengarrinha, which Socialist leaders believe represent a signal of the concurrence of the whole APU area, and especially of the PCP, for a solution of this kind.

Despite all of these indicators, one thing is certain: the formation of a PS minority government would be in contradiction to its recent discourse. The statements of PS leaders criticizing Ramalho Eanes for having installed a government of 29 percent after having "rejected" the 36 percent obtained by the PS in the previous legislature are fresh in the minds of the voters. It is true that this time it would be a case of being faced with the refusal of the largest party and its leader to govern; but this argument by itself would not be sufficient.

Beyond the possibility of a PS minority government and setting aside at the outset scenarios such as the PS/PSD (contrary to the current discourse of the two leaders) and the PS/PCP, there remains the possibility of a coalition of Socialists and Democratic Reformers.

Socialists and Democratic Reformers.

There is no doubt that no Socialist seems to support that strategy. If the main "enemy" of the PS is not the PRD, it is certain that both parties contend for the same area. And with the PS having a solid advantage at the present time (after the local government and presidential elections and Constancio's victory), and the Socialists will tend to try to separate the PRD from the electorate of the Left. That is why, from the viewpoint of the PS, it would be preferable for the PRD, despite the fact that leaders of both parties have a great political identity.

Obviously, Constancio wants to regain the PS electorate and, if possible, enlarge it. For that reason, his policy consists in drastically reducing the PRD, taking away its terrain and diminishing its importance.

Possible Developments

Lisbon EXPRESSO in Portuguese 2 Aug 86 pp 20-21R

[Article by Teresa de Sousa]

[Excerpts] Much as, at the beginning of his term, Mario Soares favored a good understanding with Cavaco--letting him strongly upbraid the Assembly of the Republic while keeping the "Belem front" calm--he is a president with political objectives, an experienced and skilled politician, the former leader of a party that for more than a decade was the number one Portuguese party. Until now, the president's main activity seems to have been to create a well-built net of support here and there throughout the country in each social sector, on the Right and on the Left. Having woven this net, it is natural and predictable that Soares may safely leap on the trapeze.

To attempt which act? That is what Cavaco does not know for certain; nor he, nor probably any of the parties that are going to play a role in the next chapter of the national political spectacle.

As of now, there remain four possible scenarios for the political reopening of 1986.

First Scenario: the Crisis Precipitated

Apparently the behavior of the prime minister and of the PSD in recent days has been of such a nature as to portend that Cavaco Silva is really willing to precipitate a crisis in November--when he will present his 1987 budget to the Assembly of the Republic--which will lead directly to early elections (the Social Democratic leader would look favorably on April of next year as the election date).

There have been various indications in this regard. Thus, alleging the non-fulfillment of the commitments assumed by the PRD (in private), he scheduled numerous controversial bills for the end of the legislative session, knowing

from the outset that he would not get the necessary consensus for their approval. This sudden change of attitude on Cavaco's part after he had allowed reports to be circulated regarding his intention to establish a truce with parliament permits one to conclude that his objective is to gather as many "proofs" as possible that the assembly does not let him govern.

At the same time, the PSD was opening fire on the PRD, accusing it of mixing with the communists—"the supreme insult"—which, moreover, it had already directed at the PS. It is an attitude that similarly can indicate the intention to provoke a break within a short span. In fact, it is easy to understand that in a coming election battle, the PSD would pick the Democratic Reformers as the main target of criticism and as the "scapegoat" for the instability created. It is toward the Left that the Social Democrats must grow; it is among the moderate electorate of the PRD (the one that voted for Freitas last February, for example) that they can gather the 7 or 8 percent capable of nearing them to the tempting absolute majority.

With this scenario, which also presents some disadvantages, Cavaco Silva could finally create the conditions to do what he apparently has not been able to accomplish outside of the context of a deep crisis: drastically to reshuffle a government that is far from responding to the expectations of its chief (and of the country, as the polls attest...); to renovate a parliamentary group formed when all of the strength of the new leader elected in May 1985 had not yet made itself felt; drastically to reduce the electoral weight of the PRD (perhaps transforming it into a more docile partner) and at the same time avoiding too great a rise by the PS, still hardly recovered from the aftermath of the succession.

Of course, Cavaco Silva would have a majority as his final objective—one that is the more difficult since, up to now, the Portuguese electoral system has never granted it, even when the Socialists were the attracting pole of broad sectors of Portuguese society, counter to the PCP.

The Costs of Instability

On the reverse side of the coin of this apparently attractive strategy, Cavaco Silva has to weigh a number of uncertainties.

In the first place, he does not know how the president of the republic will react and what he will do. On the other hand, he knows that Soares would not spare him the blame in the eyes of the electorate for precipitating another political crisis, another 6-month paralyzation of the management of the country's destiny; in short, for the return to the notorious government instability that, as is commonly said, "has been so costly to the country..."

The prime minister himself, always alert to public opinion polls, is aware that they register only one figure higher than that of his own popularity: that of attachment to political stability. Consequently, to launch a strategy of a break, Cavaco Silva would have to convince the country of his absolute "innocence" in the face of the "ill-will" of the opposition...

In general terms, it can be said that this scenario also runs the risk of appearing to the eyes of the Portuguese as too much of a "deja vu." As a matter of fact, the abrupt radicalizations, the constant recourse to elections because of the inability of the parties to oppose one another in a constructive manner, the "all or nothing" gambles directly connected with mere strategies of power--all of this runs the risk of leaving large sectors of the electorate indifferent or unhappy, with the aggravating factor that it may not bring any qualitative change.

Second Scenario: the Controlled Crisis

Cavaco Silva could also opt for a scenario of relative (controlled) instability that, avoiding a political break and new elections in the shortest time, would consist in one of two things: either an understanding negotiated with the PRD, or the much talked-about "gentleman's agreement" with the Socialist Party. In both cases, the objective would be to permit the government to adopt a budget for 1987 (previously negotiated and, therefore, not subject to the "cut and sew" operations by the deputies, which irritate the chief of government so much); and to guarantee a package of in-depth measures that Cavaco promised the voters and which have not yet been fulfilled--measures that would be similarly negotiated with one of the two political forces in questions.

The Minimum Course...

Despite the deterioration of the relations between the PSD and the PRD that has occurred recently, an imponderable factor is still susceptible of permitting a future political-parliamentary understanding. That factor is naturally the entry of Ramalho Eanes in the PRD, which should occur at the second convention of the Democratic Reformers in October.

What the general wants and what he can make of this party is an unknown quantity that only the convention will resolve. Will the former president of the Republic demand a sufficiently radical "purge" that will transform the PRD into a "paramilitary" organization capable of obeying the word of the chief--as is asserted in certain circles, not without some sarcasm. Or, on the contrary, will Eanes involve himself in the tangle of internal contradictions that are in the genesis of this party, accentuating its inconsistent and zig-zagging nature?

Will the much talked-about mutual affinity between Cavaco and Eanes be translated into a parliamentary alliance that will give the former some tranquility or, on the contrary, is that "affinity" nothing more than the residue of other political times, when the former president and the current prime minister united in the common objective of defeating the presidential candidacy of Mario Soares?

Concrete answers to those questions are lacking. In any case, a PSD-PRD alliance would run the risk of being a "remake" of the PS-CDS solution found in 1978 and perhaps also destined to promote internal destabilization in each of the parties involved and, in a more or less short period of time, to fall from the weight of its own contradictions.

Much as it presents itself as a "new type" of party, (by its own genesis) the PRD will always tend to try to preserve the balances that characterized Portuguese society in the recent past; Cavaco's PSD, on the contrary [will tend to try] to break them.

...And the 'Gentlemen's Agreement'

Much esteemed by some of the prime minister's advisers, viewed with smiling eyes by the Socialist leader, the so-called "gentleman's agreement" (as civilized as the old British expression can translate it) could represent the only truly innovative solution to the impasse caused in the present political situation. It would be the signal for the progressive installation in Portugal of a new political system based on alternative polarization, which a constitutional revision to be effected at the end of 1987 could properly consolidate. In this case, Cavaco would have to negotiate a "Treaty of Tordesillas" that would be, as someone has already said, "a confrontation of competencies" between the leaders of the PSD and the PS, the result of which would be given in future elections. Such a "treaty" would oblige the PS to grant the government the minimum conditions to exercise its mandate, with its opposition being translated essentially in the affirmation of alternative measures to those that the government would present for each priority issue.

In some way, the behavior of the PS in the final phase of the proceedings of the Assembly of the Republic can be viewed as an attempt to try out this system. In any case, its new position in Portuguese society would have to be avowedly that of a "challenger" and not that of a stopgap party that blinks at some reforms but sets itself up as the "protector" of the "status quo" and of all the "helpless Left."

Third Scenario: the Crisis Postponed

Much as this may be a scenario that is reasonably incompatible with the political style that characterizes Cavaco Silva, the truth is that the situation is too complex for one to be able to exclude it at the outset: In the face of the difficulty of choosing the course to pursue, the prime minister would leave everything as it is; that is, he would threaten the assembly, have lunch at one time with Eanes, at another with Adriano Moreira. In short, he would continue to use the "stick and the carrot" tactic toward the Democratic Reformers...waiting for better days to precipitate a crisis that would lead him to the yearned-for elections. Nevertheless, it could be a very erosive scenario and cause the loss of the wide maneuvering margin that the PSD and its leader still enjoy today.

Fourth Scenario: the 'Rainbow' Government

While Cavaco may feel the temptation for new elections, the opposition will naturally have the tendency to avoid them, including trying to design a government alternative to Cavaco Silva capable of isolating the PSD.

It is, thus, perfectly explainable that in the face of the sudden radicalization of the prime minister, the PRD and the PS should hasten to react almost in unison--raising before Cavaco the bogey of an alternative government, possibly formed around an independent prime minister and supported by a vast spectrum of parliamentary forces and by the president of the republic.

For both parties, to get parliamentary support without demands by the PCP would not be "the slightest problem" (the disciplined vote for Soares against Freitas do Amaral is still too recent to permit any illusions...), and it would certainly not be the CDS--more and more vexed by Cavaco's dominance of the Portuguese Right, who would raise any impediments.

But what kind of government would that be? What kind of policy would it pursue? Who would dominate it?

That solution, perhaps easy to outline analytically or, at least, good as a weapon of pressure on Cavaco, would very likely prove to be too fragile to confront a PSD reinforced by being its "victim"--a PSD exiting from the government at the full peak of its popularity, certainly reconverted to the strategy used by Sa Carneiro in 1979 against all the governments formed at presidential initiative that tried to interpose themselves between him and the elections.

Would that "rainbow" government solution last 6 months? Would it strengthen the parties involved or, on the contrary, would it only be useful to Cavaco Silva?

8711

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FREITAS DO AMARAL ESTABLISHES 'NON-POLITICAL' ORGANIZATION

Administration Council Members Named

Lisbon DIARIO DE NOTICIAS in Portuguese 24 Jul 86 p 2

[Excerpt] Freitas do Amaral, after yesterday's signing of the text of the constitution of the 21st Century Portugal Foundation, emphasized the "cultural" aspects of his project. In accordance with the activities of the former presidential candidate, "the Foundation will be active mainly in the field of ideas and mentalities."

The promoter of the new foundation promises that it "will be open" and "without ideological prejudices," and he denied that it constitutes "the embryo of a political party."

"The fundamental objectives of the Foundation are to promote and support the modernization and progress of Portuguese society and to raise the well-being of the Portuguese people, within the framework of the growing tide of political, economic, social and cultural democracy, and in the European and Western spirit," noted Freitas do Amaral in a statement to the press.

The same document adds that the activities of the Foundation are "to promote modernization, the spirit of initiative and the opening to progress among the Portuguese."

Three Members of the Government in the Administration

Several prominent members of the PSD, namely three members of the government of Cavaco Silva (Alvaro Barreto, Joao Oliveira Martins and Manuela Aguiar), the social-democratic leader of the liberal group of the European Parliament, Rui Almeida Mendes, and Jose Miguel Judice are taking part in the first administrative council of the Foundation, called during the act of the signing.

This body is made up of 18 other individuals associated with the former AD. Besides Freitas do Amaral, it includes former members of various administrations (with greater representation on the part of those who had formed part of the PSD-CDS alliance), such as Vaz Portugal, Carlos Macedo,

Proenca de Carvalho, Morais Leitao, Jose Augusto Seabra, Ribeiro e Castro, Luis Barbosa and Vitor Sa Machado.

Possible Political Motives Seen

Libbon DIARIO DE NOTICIAS in Portuguese 26 Jul 86 p 2

[Editorial by Dinis de Abreu]

[Excerpts] The public signing of the text of the 21st Century Portugal Foundation was less spectacular than the reappearance, a little more than a year ago, of Freitas do Amaral, as presidential candidate.

This time, it is not the vigorous candidate appearing at a propitious moment, taking advantage of the uncertainties and divisions amongst the Left and putting himself in the position of a rallying point for the forces of the Right—from those who identify themselves with the old AD even to those of other moderate though perhaps discontented factions—but only a political man who insists on not admitting defeat after having received 49 percent of the vote in his second try at Belem.

It is a fact that Freitas do Amaral is not of the age for retiring, nor does he intend to do so, withdrawing to the university like a melancholic refugee to leaf through memories of the times when he shared power or when he was on the verge of winning the presidential gamble.

Contrary to Soares Carneiro, who immediately understood that from the time of the defeat he did not have a better alternative than that of silence, Freitas do Amaral has reason to believe that the future could come around to his side. And it is without doubt in that conviction and hope that he has resorted to launching a foundation as an instrument of intervention and a means of keeping active, apart from his teaching work.

Some feel that the Foundation has not attracted any followers to lend credibility to Freitas do Amaral, even after several months, as the catalyst for all his hopes of renovating the system and modernizing Portuguese society, even when those aims are known to be well beyond the powers conferred by the Constitution on the president of the Republic.

One of the defects that weighs heavily on Portuguese political life is short memory and the abandonment to which people and ideas resort whenever things do not reach the pinnacle of success. Throughout this decade, so rich in events, examples of the most adroit pirouettes are unfortunately not lacking, revealing those unsuspecting specialists in the art of bending with the prevailing winds.

These fluctuations have been so frequent that Freitas do Amaral has little reason to be surprised.

It is natural, then, that skeptics appear, who explain that the new Foundation does not have the minimum base to create a worthwhile program,

even if restricted to cultural activities, due to its scarce resources (1 million escudos in the initial phase), and who call it condemned for the near future.

And it is understandable that others, on the other hand, see in the Foundation the embryonic nucleus of a movement or a party, that is, a type of strategic reserve ready to advance as soon as the time is right.

If the former underestimate the importance of the initiative, at the same time as they predict a limited political horizon for Freitas do Amaral, the latter discretely warn Cavaco Silva and Adriano Moreira about the risks they run if they do not clearly distance themselves and their parties from such an undertaking.

It is obvious that both schools, which effectively coexist, are supported by a convincing collection of arguments in support of their hypotheses.

Among the skeptics, it is relatively easy to devise a scenario for the next 5 to 10 years, in which Freitas do Amaral does not play more than a modest and understated role.

Among the fearful, it is no less easy to formulate reasons to show that the Foundation will be anything but cultural (starting with the composition of its body of directors, with a base of politicians rather than intellectuals), having, in this way, an excuse for suspecting that its activities compete more with the political parties among which it has positioned itself than that those activities merge with the peaceful objectives of a non-political nature.

Apparently, Freitas do Amaral is more concerned with the activities of the fearful group than with the indifference of the skeptics. Proof of this was his statement during the act of signing the text of the Foundation, when he denied that this constituted "the embryo of a political party." He did it with a specific, rather than an abstract, audience in mind, as a tranquilizing message, to eliminate possible misunderstandings. Besides, even in October 1985, in an interview granted to this newspaper, he categorically affirmed that he was not making "attempts to play even a slight part in the affairs of the PSD, nor to commit myself to the creation of any new party." And he added at the same time, as if anticipating his response to the recent mysterious suggestion of Lucas Pires: "I will not return to the CDS either."

It is true that no one has noted that he has played a part in PSD affairs nor that he has returned to the CDS. But some see individuals within the PSD and the CDS who do not look kindly upon the fact that Freitas do Amaral does not limit himself to returning to academia, putting an end to his political career.

It is enough to read an article published 2 weeks ago by Marcelo Rebelo de Sousa, himself a founder of the new institution, to note that even insiders feel obligated to write, for example, that "the 21st Century Portugal

Foundation, like a political battle horse, is an early suicide, a guaranteed failure, an unacceptable and intolerable project."

Marcelo Rebelo de Sousa's message is sufficiently clear: Freitas do Amaral cannot let himself be convinced or dragged by some impatient young people, by eternally losing party dissidents or by "friendly Messianic appeals," turning himself into a kamikazi. That is, the former candidate should refuse, under any circumstances, to lend a political tone to the Foundation.

The Limits of the Foundation

What, then, will be the role of a foundation conceived by politicians, born under the auspices of a politician and destined precisely to not let a politician be forgotten, and to prevent the electorate that trusted him from gravitating to other orbits?

Up to what point will Freitas do Amaral be able to resist the political call, when it is common knowledge that Mario Soares is already working to lay the foundations for his new candidacy in 1991, and when ideas on the exercise of power are being designed which are no different in substance?

On the verge of the holiday season, with a period of intense political struggle now exhausted, the 21st Century Portugal Foundation rises from a framework in which the great clashes have been postponed until October, despite the flowerings of crisis.

After the summer, we will surely witness the definition of a strategy of rupture or of peacemaking, with recurrences in 1987 and in the above mentioned constitutional revision.

From up at the headquarters of the Foundation, in Santa Catarina, Freitas do Amaral will not be an indifferent spectator. Perhaps earlier than expected it will be clear whether he will be part of the future or if the future has already passed him by.

[Photo Caption]

On the verge of the political holiday season, Freitas do Amaral publically signed the text of a foundation that is said to promote culture and the 21st century. Not all of those who had rushed to hurriedly sign onto the list of the presidential candidate's supporters were gathered around him. But some dedicated followers were not lacking, including representatives of the PSD and the CDS, independents and dissidents. Between the skepticism of some and the mistrust of others, what room is there for this project to succeed?

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MAGISTRATES' UNION AGAINST PARTS OF SECURITY LAW

Lisbon DIARIO DE NOTICIAS in Portuguese 24 Jul 86 p 3

[Text] The new wording of the Law of Internal Security "continues to elicit criticism, even accusations of unconstitutionality," states the Union of Magistrates of the Public Ministry in a written opinion on the law's approval yesterday in the Assembly of the Republic.

Beginning with the statement "that the differences between the two proposals--that of the current and that of the previous government--are well known and profound, it being evident that the current prime minister has suffered a great deal of public criticism as a result of the previous proposal," the Magistrate's Union goes on to point out that there remain in the current proposal's text "certain precepts that flagrantly violate the Constitution of the Republic."

As an example, the opinion points out Article 18 "which provides for special measures in criminal law:" "In the original version, the possibility of authorizing wire- or mail-tapping by the Minister of Internal Administration of anyone suspected of engaging in acts of terrorism or violent or organized crime was established. This was a gross violation of Article 32, number 4, and of Article 34, numbers 1 and 4 of the Constitution, which limit all acts that violate fundamental rights, namely the watching of correspondence and other means of private communication. Later, the government completely reformulated Article 18 in such a way that it is always the presiding criminal judge who authorizes the tapping of communications."

It is this material, then, which elicits accusations of unconstitutionality from the magistrates, who observe: "The tapping of communications in order to prevent crime contradicts that which is contained in Article 34, number 4 of the constitution, which only permits interference in correspondence and telecommunications on the part of the public authorities in the case of a criminal trial (already in progress). With regard to the repression of crime, interference on the part of the members of the Superior Council of Internal Security is not permitted, since judicial secrecy does not permit access to and intervention in the trial."

The possibility of "choosing" the presiding criminal judge responsible for granting those authorizations is also contested by the union, in

consideration of the fact that such a principle violates number 7 of Article 32 of the Constitution.

The opinion that we have quoted here goes on to enumerate certain police measures also considered unconstitutional, because they open "the doors to the practice of abuse and intimidation of citizens." With regard to the clause that imposes upon most citizens the obligation of facilitating the exercise of police activities, the magistrates declare: "If it appears to us legitimate to require that citizens do not impede the exercise of these activities, it is illegitimate to obligate them to facilitate that same exercise, that is, to collaborate with security forces." At the conclusion of the opinion, the magistrates consider "the inclusion of the Procurator-General of the Republic in the Superior Council of Internal Security as absolutely unacceptable."

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'ARMENIAN REPORT' AT EUROPEAN PARLIAMENT

'Massacre' Preferred to 'Genocide'

Istanbul CUMHURIYET in Turkish 26 Jun 86 pp 1,10

[Article by Hadi Uluengin: "Critical Day for Armenian Report"]

[Text] Brussels - Today is the "day of reckoning" for the "Armenian report" at the European Parliament, which has been one of the most important foundation stones of Turkish foreign policy for more than a year. The report, prepared by Belgian National Deputy Jaak Vandemeulebroucke which describes the 1915 events as "genocide" and calls upon Ankara and the EEC member-country governments to recognize officially this "genocide," will in all probability come up for approval at today's session of the EEC Political Commission. If the report and draft resolution are approved in the political commission, they will have to go back to the European Parliament general assembly. However, a report acceptable to the commission will most likely be accepted by the general assembly. Because of this, the policy pursued by Ankara and the "Turkish lobby" for nearly 1.5 years has been total rejection of the report.

The situation prior to today's Brussels session stands like this: There have been almost 30 motions for amendments to the report and draft resolution. Twenty of them were made by the socialist flank. The leftist motions stress that the 1915 events actually rose out of "mutually offensive actions" which occurred during a state of war and oppose the characterization as "genocide."

In contrast, the social Christian and conservative groups known traditionally as pro-Ankara and which include the members of the "Turkish lobby" have made motions for amendments which are not as moderate as the ones presented by the socialists. It is pointed out in these motions that it was not "genocide" but a "massacre" which occurred in 1915. For this reason, if a vote were taken today, passage of the socialist motions would be the "lesser of two evils" for Turkey.

Other possibilities that might occur if a vote were taken are: Text compiler Jaak Vandemeulebroucke would resign as rapporteur if the motions passed and, thus, the "Armenian report" would automatically drop from the agenda. Vandemeulebroucke has said that he would resign if changes were made, but it is not certain whether the Belgian parliamentarian would do that.

Another possibility, and the best for Turkey, would be rejection of the report as is in the commission. In this case, Ankara would be spared the "Armenian disaster" in the EEC organ for a long time since the debate would not appear on the agenda for a long time.

The worse case, however, would be for a vote to be taken today, the harsh amendment motions to pass and the report and draft resolution to come before the Common Market consultative organ to be put in final form. Since, in that case, the report would have been approved in the political commission, Turkey's job would be made extremely difficult and, in any case, an international organ would, for the first time, have passed a resolution describing the 1915 events as "genocide."

Report Author Interviewed

Istanbul CUMHURIYET in Turkish 26 Jun 86 p 6

[Interview with Belgian European Parliament member Jaak Vandemeulebroucke by Osman Ataman]

[Excerpt] Strasbourg - Jaak Vandemeulebroucke, Belgian member of the European Parliament who drew up the report known as the Armenian report, said in a statement to CUMHURIYET, "Turkey must observe human rights because of its link to the European Economic Community through the association agreement."

The Armenian report has been on the European Parliament's Political Commission agenda for a long time but has not been discussed to date owing to a number of postponements. The report will be taken up again today in the Political Commission which is to meet in Brussels and nearly 30 amendment motions will be examined.

If amendments are passed, the report will be placed on the European Parliament agenda also.

The Belgian rapporteur said that he had made no special effort to get the task of preparing the Armenian report and said, "Contrary to belief that I have a special interest in the subject, it is a coincidental situation, but I would like to do what is best because the job was given to me."

The Belgian parliamentarian's interview with CUMHURIYET follows:

[Question] How and by whom did the Armenian matter get on the agenda of the European Parliament, the consultative organ of the EEC? Is it appropriate for the parliament to show this much interest in and make certain observations and proposals about the history of a country which is not a member?

[Answer] The topic was brought to the political commission agenda at the particular insistence of French members and this is how efforts were begun for compilation of a report. This topic has been on the European Parliament agenda since before 1984 and the report has been kept alive by the French parliamentarians who, as known, have a significant Armenian electorate. One of them, Saby, is known to have worked even harder than I have, even though I am the rapporteur, so he can convey the message to his constituency.

Moreover, I believe it is the duty of the European Parliament to debate the topic as regards human rights not just within the Common Market membership, but outside the membership as well. And Turkey must also observe human rights through its link with the European Economic Community through the association agreement. I believe that what we are doing is appropriate and right from this standpoint.

[Question] Did you think the word "genocide" which you chose in drawing up the report would cause this much reaction or that efforts would be made to change it? Genocide was a poor choice of words, was it not?

[Answer] I did not feel the need for any other description, but I did not anticipate, either, an effort to change the way I described it, because I thought many parliamentarians would agree with the word "genocide." However, that is not the situation today and even the French who are the Armenians' biggest supporters are trying to change it to "massacre" or "tragedy."

[Question] Were there any documents or information sent to you from Turkey to assist you in drawing up the report? Or did you not do anything along this line?

[Answer] I am claiming, as a parliamentarian and historian, that an historical event occurred in a country's past and am trying to prove it. After saying that I think it wrong for a country to deny its past, let me add that many complaints about Turkey still come to the European agenda today. For example, the churches of minorities, or, in other words, of Turkish Christians are being torn down and the structures through which their past history can be preserved destroyed one by one. I cannot condone that, because, on the other hand, I can never excuse what is being done to the Turks in Bulgaria, either. I see, unfortunately, a conflict for Turkey at this point also.

[Question] There is a possibility that your report will be rejected in either the political commission or the parliamentary general assembly, but what may happen if it passes?

[Answer] If it passes, there is no question of an impact other than moral. I am aware that this involves a country's internal affairs. But all I am trying to do is to let history be known accurately. Suppose the word "genocide" were used and this were accepted, this would never mean giving land to the Armenians, it would never mean they would be given the right to make demands. This must be fully understood right now.

[Question] What are the chances of your report's passing after all these developments? If it passes in a form quite different from what you wrote, will it be a loss of prestige for you?

[Answer] Whether or not I would lose prestige would depend on the final contents of the report and how the vote went. I do not know what that will be. In all probability, the word "genocide" will be changed, but beyond that I do not know what the final contents of the report will be. The report has an equal chance of passing or being rejected; we have to wait. I would like to say that whether the report is accepted or rejected, it is not something that should be exaggerated.

8349

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TURK-IS PROPOSES LABOR IMPROVEMENTS

Istanbul TERCUMAN in Turkish 23 Jun 86 p 9

[Article by Refik Soumegsoy: "'We Are Drowning in Bans'"]

[Text] Yesterday in Eskisehir a "march and rally," organized by Turk-Is [Turkish Confederation of Labor] were held with the aim of changing the laws regulating labor relations to be more in favor of the worker.

Various slogans were shouted during the march that began at 1300 in front of the Eskisehir Sumerbank Cloth Factory with thousands of workers from surrounding provinces taking part. It was demanded that the Ozal government resign and that the prohibitions placed on the rights of workers be lifted.

The workers, carrying various pennants and banners marched along Kutahya and Ataturk Avenues shouting various slogans. The workers, who arrived at Station Square after the 2.5 kilometer march, dispersed after the speech given there by Sevkett Yilmaz, general president of Turk-Is.

Yilmaz's Speech

Speaking yesterday at the "march and rally complaining about the government to public opinion," which was organized by Turk-Is in Eskisehir after the one in Izmir, Sevkett Yilmaz said, "Our workers, for the first time in the history of our republic, are face to face with this sort of systematic exploitation. This can never be permitted."

Yilmaz continued his speech in this way:

"Turkey, especially during the last 2 years, is living through a period in which principally laborers, but also all working people and low- or fixed-income groups, are being crushed under difficult living conditions. This certainly was not a sudden development. In 1980 a systematic campaign against laborers and their rights and liberties was begun, and later this campaign was institutionalized by changes in the constitution and the fundamental labor laws. The rights and liberties of the worker, and gradually the liberties of the general public, were sacrificed for the sake of protecting the economic privileges and interests of a handful of people. It is not possible for us to accept this sort of concept."

Stating that they had a different notion of the meaning of democracy than do those presently in power, Yilmaz said that they are "involved in the struggle for bread, peace and freedom" and that they demanded "a democratic system favorable to the principles of the freedom to unionize." Also defending the right of civil servants to have a union, the Turk-Is leader said that the unions should freely determine their statutes and goals, and that there was no room in the right to organize for political restrictions on workers and unions. He added:

"We want a free democratic order based on the right to collective bargaining. The state cannot come out opposed to the workers who exercise their right to collective bargaining. In a system based on the right to free collective bargaining, there is no place for the Supreme Arbitration Council, which in most cases rules in favor of the government and employers. In this type of system, organizations such as the "Coordination Council," whose primary goal is to obstruct the use of collective bargaining and to impose restrictions on working, cannot prevail."

To Many Bans

Yilmaz, who asserted that "labor life is drowning in a sea of restrictions," said they want a system that removes all obstacles to the right to strike and that they demand the removal of special privileges granted to employers during a strike. Sevkettin Yilmaz went on to say: "We want a democratic order based on social justice. A democratic system based on social justice will mean changing from top to bottom the economic policies that have been carried out in Turkey since 1980. In this type of system, the state will be, before all else, a social state. The potential of the nation and our country's resources will not be placed at the disposal of a few capitalists. The primary obligation of the state will be to protect and look after the vast masses of the people, who are economically powerless. The state will conduct economic life by the understanding and discipline of a plan harmonious with the principles of a mixed economy. The sacrifice of the SEE's [State Economic Enterprises] to private interests will never be permitted. Economic issues will not be surrendered to the conditions of a market economy based on the interests of a few holding companies. In this sort of system it will never be possible to get anywhere."

What Kind of Order

The general president of Turk-Is specified the following points in connection with the system desired by the Turkish worker and union member:

- The basic goal will be to prevent unemployment.
- The standard for investments will be the public interest.
- Workers will have a say in the management and oversight of their workplaces.
- Producers, villagers and farmers will establish cooperatives.
- In foreign trade a system without intermediaries will prevail.

--Income distribution will be given a just structure.

--National resources, the labor of the Turkish worker and our basic commodities will not be handed over to foreign capitalists.

--Natural resources, oil and minerals will be operated by the state.

--In education, justice and equal opportunity will be assured.

--Discipline will be introduced into private enterprise that will conform to the goals of planning and principles and to the society's welfare.

--A system will be established based not on a person's private interest, but rather on democratic equality, liberty and social justice.

Criticism of Ozal

Explaining in broad outline the viewpoint of Turk-Is towards the Ozal administration, Yilmaz made the following statements:

"The government is not on the side of the vast masses of people, but rather on the side of an economically powerful small minority. As for democracy in Turkey, it exists for this handful of people. We must change this. We are capable of changing this by democratic means. In unity and togetherness, not fighting among ourselves, without being divided, with absolute solidarity, we must march towards our goal."

30,000 Plus Workers Join March

Meanwhile, it was observed that over 30,000 workers joined the Turk-Is march. The workers, who covered the route on approximately 3 kilometers in 1 hour, shouted these slogans during the march: "You cannot take away our constitutional rights," "Collective bargaining with no intervention," "You cannot take away our severance pay," "Bread--Peace--Freedom," "True democracy," "The worker is the greatest, there is no other great one," "No to restricted strikes," "Let's save Turkish youth from their anxiety about the future," "We are workers, we are strong," "Let the government listen, let it groan 'Eskisehir, Eskisehir,'" "Free unionization is the guarantee of democracy."

When the workers were going down Kutahya Avenue, citizens came out to their balconies and windows, demonstrating their support for the rally. The march was also observed from the air by helicopters.

13293/12232

CSO: 3554/107

GOVERNMENT, SDP DIVIDED OVER CRISIS IN SHIPBUILDING INDUSTRY

Government Resisting Subsidizing

Copenhagen BERLINGSKE TIDENDE in Danish 2 Aug 86 p 8

[Editorial: "The Shipyards"]

[Text] The long meeting between the government and the Social Democratic Party yesterday regarding the shipbuilding situation must signify that the sides were on reasonably good speaking terms. The government's willingness to consider more closely the Social Democratic Party's 10-point initiative can be seen also by the fact that new meetings will be held in the coming week with the involvement of the Radical Liberals, the whole thing aiming at a clarification in the course of a couple of weeks.

The Social Democratic Party certainly had not expected that the government would say a flat yes to all 10 points, and they did in fact encounter a certainly anticipated disappointment. The government rejected a so-called matching arrangement to the effect that with Danish State money our shipyards would be put on an equal footing with foreign ones, which have State funds at their disposal in competing for specific orders for ships. Quite apart from the fact that the sum the Social Democratic Party intended to have set aside would certainly, should the occasion arise, go an extremely short way, the government's attitude toward the matter had to be the already familiar one. A matching arrangement is not only incalculable, but also awkward, which can be seen from the fact that the country already has a matching arrangement which largely speaking is not utilized.

On the other hand, the Social Democratic Party has no reason to be disappointed over the fact that the government came with a counterproposal when the party proposed that the existing capital in the business establishment account and the investment fund be able to be used to buy ship shares. In place of the ingenuity taxwise that this can involve, the government found a simpler solution. With its proposal of, instead, exempting ship shares from the tax reform's rules concerning this up to 1990, the government is acknowledging--precisely as wished by Georg Poulsen and the shipyards--that ship shares are to be treated on an equal footing with other active investments. The Social Democratic Party had with its own proposal extended a little finger to this way of thinking and now got the whole hand.

It is natural that the government reserved itself the right not to think over the many Social Democratic proposals, although it was positively disposed toward many of them. The problem with these proposals, which contain not a few old acquaintances drawn from the shipbuilding industry's contact committee, consists to a great extent in the fact that they are rather opaque in their economic consequences.

The government must of course continue to stick to the opinion that things are not to be kept artificially alive which all the same cannot survive in the longer term. Therefore, the most interesting Social Democratic proposal in a way is that a budget sum should be set aside to aid local areas which are hit by shipyard closings. The Social Democratic Party is thereby acknowledging that its own 10 proposals also will not be able to maintain the existing shipbuilding capacity. The party is accordingly expressing a realistic acknowledgement which is worthy of attention.

SDP Plan Detailed

Copenhagen BERLINGSKE TIDENDE in Danish 4 Aug 86 Sect III p 1

[Article by Morten Larsen: "SDP Plan for Shipyards: Half Billion Kroner for Ferries"]

[Text] A third ferry for the Bornholm traffic and the reconstruction of DSB [Danish State Railways] ferries for 600 million kroner have been put on the Social Democratic Party's list of wishes in the talks regarding the shipyards' future.

When the government and Social Democratic Party together with the Radical Liberals continue the talks regarding the shipbuilding crisis at the end of the week, the Social Democratic Party will propose that the State invest 300 million kroner in a new ferry for the Bornholm traffic and use another 300 million kroner on the reconstruction of DSB ferries.

"I know well that there is not an acute need for a new ferry for Bornholm. But in any case over the course of a few years a new one will have to be built to replace the old 'Hammershus,' and we think it should be sped up," says the Social Democratic Party's spokesman, J.K. Hansen, who drafted the plan.

If the State does not build a third large ferry for the traffic between Copenhagen and Rønne, the Social Democratic Party wants the two present ones enlarged.

Reconstruction of Cargo Ferry

In addition, the Social Democratic Party will propose the purchase and reconstruction of a cargo ferry for service between Rødby and Puttgarden, and the party wants to reconstruct the two old Århus-Kalundborg ferries--the 'Prinsesse Benedikte' and 'Prinsesse Anne-Marie'--so that they can be used on the route between Helsingør and Helsingborg.

Since it will be about 10 years before automobiles can drive over the Great Belt, the Social Democratic Party wants to set money aside for the reconstruction of the automobile ferries, and it ought to be considered whether the State should build its own suction dredges for use on the west coast of Jutland in place of the two which are chartered at the present time.

8831

CSO: 3613/184

EEVP OFFICIAL PROPOSES MEASURES FOR ECONOMIC RECOVERY

Athens POLITIKA THEMATA in Greek 18-24 Jul 86 pp 21-22

[Article by And. Saoulis]

[Text] At the recent general meeting of the Union of Industrial Products Exporters [EEVP], on 30 June, the outgoing President Andonis Saoulis addressed the participants and listed a number of measures he considers indispensable for the country's economic recovery. Because of the expertise and long experience of the speaker, we publish part of his address covering his specific proposals.

"Creating new, modern, dynamic enterprises," Saoulis said, "is difficult in our country for the following reasons: Private investors do not seem to be inclined, at least for the time being, to invest the necessary capital because of the low or negative return on capital and the limitation of profit, high inflation, the continuing suppression of private initiative, the government control of prices for many products, the rigid labor market, high interest rates, the familiar weaknesses of the public sector, the absence of a conducive climate for industry, et al.

"To overcome these problems it is necessary to do the following:

"1. We must create the appropriate developmental climate which is considered a basic condition for undertaking any serious investment initiatives. For this reason it is necessary to strengthen private initiative, establish close cooperation between the state and the industrial enterprises, drastically limit government intervention in the economy and define the limits of activity for state agencies, nationalized economic enterprises, cooperatives and other social entities.

"2. It is necessary to recognize that profit is the main motive for investment. The increasingly lower yield of capital in industry does not allow accumulation of investment resources and acts negatively for the realization of new investments. We should remember that in industry as a whole in the last few years losses exceeded profits and the return on capital has become negative. Therefore, we should not expect a substantial improvement in the industrial sector unless an improvement in profits is achieved first.

"The premier himself--in his address to the general meeting of the Association of Greek Industrialists [SEV]--did not hesitate to recognize that without mobilization of private initiative recovery will not come about. He added, 'naturally it is not possible to expect investments without the prospect of some profit.'

"3. It is necessary to abolish existing procedures for price fixing in the domestic market. By not allowing free adjustment of prices for industrial products to the extent such adjustment was necessary, it was inevitable that losses of the industrial enterprises and the number of overindebted, ailing enterprises should grow, while at the same time imported products are replacing harassed Greek products. In any event, the situation has improved lately and we hope this improvement will continue in a sound direction.

"Let us not forget that proper prices in the domestic market allow a more aggressive export policy.

"4. It is necessary to improve competitiveness of our products. As I said already, this competitiveness has been significantly eroded in the last few years and as a result our exports face increasing difficulties. This requires:

"A. To apply new production methods to cut costs and improve the quality of the products.

"B. To promote investments, especially in sectors incorporating new technology. As I said, however, this requires improvement of the business climate in general, free price formation, flexibility in the labor market, modernization of the banking system, etc.

"C. To raise labor productivity and reform the incomes policy.

"Compensation of the working people should be tied to their production contribution. They should receive higher compensation as their productivity increases.

"It must be fully understood that the steady improvement of wages and salaries--which is the aim of a developing and growing economy--cannot be achieved with inflexible systems which disassociate labor compensation from labor productivity.

"Finally, it is necessary to improve the flexibility of the labor market. We believe there is no greater social injustice than unemployment. In practice, however, the limitations imposed on reduction of the number of employees when such reduction is required, discourage the hiring of new personnel.

"5. It is necessary to restore a balance in relations between employers and employees so that problems which appear in the factories could be resolved with understanding. Workers must fully understand that at the present time

when our country faces serious and decisive problems, the pressures and adjustments of salaries and wages without a parallel increase in their productivity, and going on strike--when many strikes have other than purely labor objectives--will cause an unfavorable chain reaction in our economy.

"6. It is necessary to intensify the efforts to lower inflation which gradually should be brought down to the levels prevailing in the other EEC countries. Such efforts will be aided by a reduction of constantly growing deficits in the public sector which force the government to resort to continuous borrowing.

"7. It is necessary to introduce a flexible and realistic foreign exchange policy which will correspond to the requirements of our economy. The goal of such a policy should be to strengthen the competitiveness of Greek products and reduce imports to the minimum.

"Until now, adjustment of our national currency to other currencies, whether done through devaluation or through shrinkage, has never been sufficient to offset erosion of the competitiveness of our product, especially if we take into account the significant differences in inflation levels between those prevailing in Greece and those in the major competitor countries.

"8. It is necessary to assure the financing of industrial enterprises with more efficient criteria and lower interest rates, so they can implement, without hindrance, investment plans and improve their productive activities.

"9. It is necessary to reform the existing tax system in our country, with the avoidance of unfavorable effects on investments and productivity as the key criterion. Implementation of the Added Value Tax in our country, even though it will not incorporate all indirect taxes but only part of them which accounts for about 50 percent of the total, is a decisive step for modernization of our tax system.

"10. It is necessary to strengthen the mechanisms supporting exports (KAPE [expansion unknown], etc.) and to drastically improve their efficiency, by covering increased and special insurance risks.

"11. It is necessary to hold to reasonable levels price increases paid for services rendered by the state, state enterprises and agencies (Public Power Corporation, Telecommunications Organization, Piraeus Port Authority) during this year (1986) because every price increase by the state enterprises and agencies increases the cost of produced and exported goods."

7520

CSO: 3521/217

PRIVATIZATION APPROVED AT 49 PERCENT FOR CREDIT INSTITUTION

Rome LA REPUBBLICA in Italian 3-4 Aug 86 p 31

[Article by Giovanni Scipioni: "49 Percent of the BNL Will Pass Into Private Hands in 1987"; first paragraph is LA REPUBBLICA introduction]

[Text] The accounts of the largest Italian credit institution showed an improvement in the first half of the year. The remuneration for holders of savings shares--the current value of which is almost at a record low--may prove to be greater than provided for in the charter.

Rome--The National Labor Bank [BNL]--the nation's largest credit institution--is changing its face and becoming more private. The final step in a long process of semiprivatization--begun in 1981--was taken yesterday. The meeting of the bank's shareholders did in fact approve unanimously the statutory changes that will make it possible to offer the public up to 49 percent of the common stock. The "status" of the BNL has thereby become close to that of a limited-liability company, with the Treasury's share of the capital stock being reduced to 51 percent.

Approval of these statutory changes was also used by the BNL as the occasion to announce the acquisition of a Brazilian "merchant bank"--the Denasa Investment Bank--thereby converting into a block of shares a part of the credits accumulated in that South American country. There will accordingly be no outlay of money but only a bookkeeping entry representing a transfer of letters of credit. The amount involved in the transaction was not announced. "We are not authorized to say," BNL President Nerio Nesi said, "but the price was right." The Denasa Bank is one of the oldest Brazilian credit institutions specializing in medium-term loans and investment banking.

For the most part, however, attention has been concentrated on the process of semiprivatization, which has been described as "a new formula for the role of the state in public ownership." The so-called common stock shares--which are full-fledged voting shares--will be put into circulation. Plans also call for the holders of savings shares to receive favored treatment in connection with these operations. For savers and institutional investors, however, the schedule is not so tight. The capital stock operation will take place sometime after approval of the 1986 budget, probably in the spring of next year, according to Nesi, who added: "Consideration should be given to the fact that in 1

year we asked the market for 700 billion lire for the savings shares, as a result of which we were able to accumulate a capital stock of 1.003 trillion lire, which will soon be increased somewhat when the INA [National Insurance Institute] and INPS [National Social Security Institute] receive BNL shares in exchange for the minority shares they hold in the special sections." During these months a decision must also be made as to whether--and to what extent--the common stock will be offered for sale abroad. Nesi chose to skirt the issue, noting only what when the BNL announced the semiprivatization, "considerable interest" was displayed by German, British, and American merchant banks. It is not a simple problem, and other banks have already had difficulties with similar operations. Meanwhile, the stock listed on the exchange closed the week at 24,850 lire--not far from the record low of 23,790 lire.

The BNL, however, is doing well. Its accounts have improved notably. Nesi emphasized that the bank's performance for the first 6 months of the year was "distinctly positive." The board of directors will study the data at a meeting already scheduled for 28 August, but Nesi has already stated that the interest margin--that is to say, the difference between the income from loans and from investments in securities, on the one hand, and the expenses of obtaining deposits--increased by approximately 30 percent over the first half of 1985, while the net income from banking services increased during the same period by approximately 20 percent. The intermediate margin accordingly recorded an increase of 25 percent. "These results," Nesi added, "will be confirmed in the second half of the year, and will make it possible to remunerate the holders of savings shares at a rate above the minimum provided for in the charter."

10992

CSO: 3528/207

BRIEFS

SECOND HIGHEST GROWTH RATE--The island of Taiwan (Formosa) and Italy are the countries recording the highest rate of economic development, according to the "Conference Board in Europe," an organization of economists that periodically publishes an international analysis of two indices: the index of economic "performance," and the index of the principal economic indicators of the major countries. On the basis of these statistics, Taiwan leads the world with a growth rate of 13 percent. Italy is second, with 9 percent growth, followed by France with 6 percent; Canada, 5 percent; the United States, 4 percent; and Great Britain and the German Federal Republic, 1 percent each. Japan and Australia recorded a 4 percent reduction in the rate of growth of the principal economic indicators. In the case of Italy the following growth rates were recorded: 8 percent in the last 6 months; 7 percent in the last 3 months; and 9 percent last month. [Text] [Rome LA REPUBBLICA in Italian 3-4 Aug 86 p 32] 10992

CSO: 3528/207

1987 GOVERNMENT SPENDING SEEN INCREASING SLIGHTLY

Madrid EL PAIS in Spanish 31 Jul 86 p 33

[Article by Felix Monteiro]

[Text] Madrid—Direct government spending will rise 11.7 percent next year, while capital transfers to enterprises and agencies will drop 3.7 percent, according to the most recent draft (dated 18 July) of the General State Budget for 1987. The government will spend about 1.2 trillion pesetas, a modest 2.49 percent rise. This is, however, a nominal amount, inasmuch as if inflation is discounted, actual government spending is down 5.51 percent on the whole.

Next year's budget is consistent with the 4-year plan that the government is working on; its philosophy is to improve infrastructure and reduce the government's role in other sectors. The spending side for 1987 is regarded as practically complete; only some final touches from the autonomous community financing system remain, and there may also be a new pact next year between the government, the employers association and labor. In this event, the spending figures will inevitably rise, and the figure 60 billion pesetas has been bandied about as a minimum matching amount for the accord.

The new 4-year spending plan has a clear-cut aim: to bolster direct government spending, where public monies are obviously more effective, in exchange for cutting back transfers to public and private enterprises, agencies and other institutions.

Professional Training

The government's economic team argues that these cuts are possible because some of the industrial adjustments have already been made and there is no more leeway in the face of the urgent need to reduce the budget deficit. The underlying motivation is the confidence that the private sector will be the driving force in an economic recovery. This justifies the government's abandonment of some of the areas in which its spending was traditionally heaviest.

Once the budget has been consolidated with the financial aid from the European Community, government spending will hit 1.2 trillion pesetas in 1987. This amount, which represents a nominal increase over this year's 1.17 trillion,

breaks down into 525.718 billion in actual spending and 676.66 billion in capital transfers, which are down 25 billion from last year.

The cutback in transfers is even more pronounced if we consider that the activities that are cofinanced by the European Social Fund are up from 50 to 100 billion pesetas (10 billion through the autonomous communities). The European Community will provide 60 billion of this total.

The breakdown of this spending will be 80 billion for professional training and the remaining 30 billion for job creation. The recycling and training of unemployed workers or young people seeking their first job will thus become one of the government's main spending areas.

Of the slightly more than a half trillion pesetas that the government will spend directly, 242.028 billion will be earmarked for new activities, a nominal increase of 17.4 percent (9.4 percent, discounting expected 1986 inflation). Of the remainder, 72.977 billion will be allocated for replacement spending, and 210.713 billion to achieve the goals set forth in Law 44 of 1982 concerning the modernization of the Armed Forces.

Highway System

The biggest increases in spending next year are to improve road infrastructure, to expand and modernize embassies and to build and remodel courts, prisons and Civil Guard barracks. Appropriations for the School Construction Board are down from 35 to 21.771 billion pesetas, owing to the decrease in the school-age population.

The government's priority is the construction of new roads and the improvement of the existing system. Appropriations, which include a special, yet to be drafted highway program, are up 28 percent from 138.372 billion pesetas this year to 177.06 billion next year.

Less Money for Enterprises

Public enterprise is one of the areas that will experience cutbacks in government spending next year. The reason is that the industrial adjustment and the sale of enterprises operating at heavy losses (such as SEAT [Spanish Passenger Car Company, Inc]) allow for greater economies. Thus, the National Institute of Industry (INI) will see government capital contributions decline from 100 to 60 billion pesetas, while RENFE [Spanish National Railroads] will see an actual spending cut from 25.6 to 16.777 billion pesetas. The appropriations for RENFE to pay off loans are up from 29.4 to 30.296 billion pesetas. The allocations for Enagas, a National Hydrocarbons Institute enterprise, will decline from 11.5 to 9.531 billion pesetas. Transfers to RTVE [Directorate General of Spanish Radio Broadcasting and Television] will be reduced to zero from 1.5 billion this year.

Aid to private firms involved in reconversion programs will drop from 30.531 billion pesetas this year to 19.825 billion. Subsidies for shipbuilding are up moderately (6.5 percent), while subsidies for individuals buying homes will jump 121.7 percent from 13.711 to 30.4 billion pesetas. Transfers to autonomous communities and city halls are still an unknown; for the time being, amounts similar to this year's are being mentioned.

NEW STUDY REPORTS SLIGHT DECREASE IN UNEMPLOYMENT

Madrid EL PAIS in Spanish 1 Aug 86 p 31

[Text] Madrid—Total unemployment as of the end of the second quarter of 1986 stood at 2,950,300 persons, according to the findings of the work force survey conducted by the National Statistics Institute (INE). The findings are based on the 1981 census, not the 1975 one, which had been used till now in the survey. The director general of the INE, Javier Ruiz Castillo, acknowledged, according to EUROPA PRESS, that although it was not made public, if the same criteria had been observed in the first quarter, total joblessness would have been 3,036,600, not 2,969,100 as was officially reported.

Using the 1981 census as a base, the work force survey showed that the working population totaled 13,729,400, 10,805,100 of whom were employed in the full sense while 74,000 were marginally employed. Therefore, the total number of unemployed stood at 2,950,300. The work force represented 35.76 percent of the total population, and unemployment amounted to 21.49 percent of the work force.

Unemployment in agriculture stood at 272,900 (2,000 more than in the first quarter); there were 475,000 people out of work in industry (10,800 fewer than in the previous quarter); 651,000 people were out of jobs in services (almost 40,000 fewer than in the first quarter); 374,000 persons were unemployed in construction (down 24,000), and 1,176,500 people were looking for their first jobs, a drop of 13,800 from the previous quarter. A comparison of the first and second quarters, using the 1981 census as a base in both cases, shows that total unemployment was down by 86,300.

According to the 1975 census, total unemployment in the first quarter stood at 2,969,100. The INE director general himself, Javier Ruiz Castillo, acknowledged that first-quarter joblessness would have hit 3,036,300 if the same criterion as in the second quarter had been used.

Ruiz Castillo asserted that the statistical change was not disclosed before the general elections because the government wanted "unemployment gauged with the same yardstick that had been used before." He admitted, however, that the administration was aware of a statistical projection for the first quarter of 1986 that would have showed unemployment topping three million. The projection was not made public, however.

Upward Adjustment

If the 1981 census had been used in the survey for the first quarter of 1986, all figures would have been adjusted upwards. The population 16 and over would have been greater by 703,100, standing at 28,777,700. The nonworking population would have risen by 409,400 to 14,825,300. The total work force would have been up as well, by 287,400 to 16,691,400. On the basis of the 1981 census, total employment would have stood at 10,654,700, 219,900 people more than reflected in the base used till now, and the total number of jobless would have been up by 67,500, which would have meant that for the first time unemployment according to the work force survey would have topped the 3 million mark, standing at exactly 3,036,600. This would mean that unemployment rose by more than 100,000 from the previous quarter, not by the officially reported 35,000.

The Economy and Finance Ministry issued a press release yesterday asserting that the work force survey findings "confirm the reversal of the trend in the job market that was seen throughout the past year."

Salce Elvira, the employment secretary of the Workers Commissions, asserted yesterday that the administration had committed "a serious act of fraud by concealing, for purely vote-getting purposes, the fact that unemployment had topped three million." Salce Elvira termed this "shameful," asserting that such moves "show that the administration controls institutions, such as the INE, that ought to be models of independence."

8743

CS0: 3548/75

IMPACT OF URGENT REINDUSTRIALIZATION ZONES ASSESSED

Madrid ACTUALIDAD ECONOMICA in Spanish 28 Jul 86 pp 20-21

[Article by Jaime Velasco: "Danger in the Home Stretch"]

[Text] As the deadline nears, the Urgent Reindustrialization Zones (ZUR) have posted the following bottom line: 88 billion [pesetas] invested and 9,500 jobs created, not counting the major projects. The delays in subsidies could cause everything to fall through.

The ZUR's, which were set up in early 1985 for the dual purpose of relocating workers who lost their jobs because of reconversion and of renovating industry in certain crisis areas, are nearing their end. The ZUR's were created in two groups, in February and in May 1985, and were initially intended to last for 18 months, extendible by the same period. Next August marks the end of the period during which concessions have been granted to the ZUR's in Asturias, Cadiz and Madrid, and a few months later it will be the turn of the ones in Galicia (El Ferrol and Vigo), Barcelona and Nervion. A government decision to extend the period seems quite problematic, in view of the conflict this could prompt with the EEC, which does not permit subsidies to specific enterprises unless they are channeled through the European Regional Development Funds (FEDER), which Brussels controls.

As the end draws near, the administrations of the various ZUR's are stepping hard on the aid accelerator and taking stock of their performance so far. Their future largely depends on the development of the regional incentives law, which was published last January to adapt this sort of assistance to EEC regulations, which will determine the future status of the current ZUR's.

The best way to continue enjoying reindustrialization assistance would be EEC classification as "areas in decline," which would give them access to the FEDER. Asturias, Galicia, Cadiz and Nervion apparently have the best chance in this regard; the others, either because of their income level or jobless rate, have little chance of being accepted by Brussels.

Performance

As the ZUR's head down their home stretch, all their management offices are striving to portray their performance in as good a light as possible. Some

can point to real "star projects," which owe very little to the existence of the ZUR's. Inclusion of these projects would make comparison with the rest impossible, for example, ATT-Microelectronica, whose 34 billion peseta investment in the Tres Cantos area prompted the expansion of the ZUR coverage area; the Tabacalera center in Cadiz, with an investment of 13.87 billion, a genuine lure for this zone, or Sener-Turbopropulsion, with a 15-billion peseta investment.

If we leave these major projects out, the undisputed champion in investment volume is Barcelona, with a total of 56 projects approved by the commission and investments of 20.653 billion, followed closely by Madrid and Nervion. Barcelona also comes out on top in the number of jobs it expects to create, followed by Madrid and the two Galician ZUR's.

The administrators of the ZUR's regard their performance over these 18 months as a success. According to Francisco Gil, the manager of the Madrid ZUR, "in contrast to possible appearances, the result of ZUR activities has not been the massive creation of jobs; instead, the primary goal has been to create stable jobs. This was necessitated by the search for high levels of productivity by the companies, and thus the capital-labor ratio has turned out very high, around 10 million pesetas per worker. Some went so far as to say that the Madrid ZUR was going to solve the unemployment problem in the autonomous community, but the fact is that specific goals were never set. The only commitment was to relocate the workers under the Employment Promotion Fund, and it is going to be met, even while absorbing the people from the Ibelsa-Zanussi reconversion."

"There have been several phases to the experience of these months," says Rafael Lamas, the manager of the ZUR in Asturias. "At first, a flood of local businessmen wanted to put their ideas into practice, with small investments of 150 or 200 million pesetas. Then there was a phase when existing local companies were expanded. Later, foreign investment started up, but this took longer because of the lengthy negotiations involved. Foreign investment has had a beneficial effect because it has helped to overcome the possible inferiority complex of the less industrialized regions when the time comes to fight for investment in high technology. The important thing about foreign companies setting up shop is not the capital, which is not lacking here, but the technology and the overseas markets they provide." The Asturias ZUR also has its star project on the drawing board, the Telcor company, whose 3.46 billion-peseta investment comes 35 percent from Telefonica and 65 percent from American investors.

The feeling in the ZUR around Cadiz Bay is that there has not been enough time to fully develop the system's potential. Its general manager, Jose Ruiz Navarro, is convinced that its term will be extended another 18 months after the regulations for the Regional Incentives Law are passed. "The ZUR has been thoroughly beneficial to the zone. Some 350 of the 460 workers in the Employment Promotion Fund (85 percent) have already received relocation offers, which is the highest rate after Madrid. The benefits have to continue. At the next commission meeting we plan to approve another 7 projects and we have 25 projects in the pipeline that are ready to go and another 100 under study. The prospects are good, inasmuch as after an initial

start-up stage a flood of projects have been submitted that should bear fruit," he says.

Industrial Overview (projects approved, investment and jobs created by the ZUR's)

ZUR	Projects Approved	Investment (1)	Jobs Created
Asturias	63	9.101	987
Barcelona	56	20.653	2,242
Cadiz (***)	21	5.217	650
Galicia-Ferrol	25	9.678	1,626
Galicia-Vigo	44	6.394	1,092
Madrid (*)	39	20.178	2,047
Nervion (**)	33	17.166	847
Total	281	88.387	9,518

(1) in billions of pesetas; (*)Does not include the ATT-Microelectronica de Espana project; (**)Does not include the Sener Turbo Propulsion project; (***)Does not include the Tabacalera project.

Bureaucratic Obstacles

What the heads of the ZUR's fear most is what could happen when the time comes to begin collecting the subsidies. Certain prior experiences, such as at the Sagunto promotion office in Valencia, are not at all encouraging; the several months delays in disbursing the subsidies have caused numerous problems.

Under the ZUR operating system, the agreed upon subsidies are paid out after the employer submits certification to the managing commission that the project has been completed. The subsidies are disbursed all at once or in installments, as appropriate. The bureaucratic red tape involved in paying out the subsidies should theoretically have been simplified after the passage of the Regional Incentives Law, which provided for the transfer of the ZUR's from their previous absurd status as part of the Public Works Ministry through the Territorial Action Directorate to the Ministry of Economy and Finance. But the managers of the ZUR's are not at all sure about this. In fact, they are afraid that when summer ends and the terms of the subsidies begin expiring en masse, they are going to be confronted with dozens of businessmen protesting in their offices and demanding what they were promised so that they can meet their financial obligations and get production moving.

"In principle," says Rafael Lamas, "ending the program's link to Territorial Action should be positive, because the red tape has now been cut to two ministries instead of three. But if we want to prevent the system from failing because of the delays in paying out the subsidies, the autonomous communities must be given jurisdiction in this regard. We are asking for a quick disbursement of the money so that the system can be streamlined." A similar view is heard from Jose Ruiz Navarro from the Cadiz AUR: "It is indispensable for the Regional Incentives regulations to provide an in-depth solution to this problem before it arises, by clearly spelling out the necessary procedures. The alternative to the current system could be to coordinate payments through the executive offices of the ZUR's, with the rulings of these offices as the driving force behind the procedures."

RECORD REACHED IN 'BORDER TRADE' WITH USSR

Stockholm SVENSKA DAGBLADET in Swedish 21 Jul 86 p III

[Article by Lennart Lundqvist]

[Text] The record for border trade between Sweden and the Soviet Union is being beaten. By May of this year, the value of that trade was already up to the figure for all of last year.

Even though it is a long way between Sweden's and the Soviet Union's land frontiers, there has been steadily increasing border trade between the two countries since the end of the 1970's. Last year, goods worth a total of 70 million Swedish kronor were channeled between the two countries through that loophole. The figure will probably be twice as high this year.

The only West European countries besides Sweden to have that kind of trade with the Soviet Union are Norway and Finland. Border trade between Finland and the Soviet Union began 26 years ago, when Finland was still in the process of paying reparations for war damages. The countries agreed that part of the goods from—but also to—Finland would be handled as border trade. Last year, that trade between the two countries totaled 600 million kronor (300 million kronor in each direction). The corresponding figure for Norway was 25 million kronor.

The advantage of border trade is this: normally, all trade with the Soviet Union in either direction is channeled through Moscow and the central administration there. Foreign trade is divided minutely into industries and regions. To get around that giant central administration, the Soviet organization known as LENFINTORG was established in Leningrad ("torg" stands for "trade").

Trade handled by LENFINTORG goes directly from Western firms out to certain provinces in return for local products from the latter. This involves areas in the European Soviet Union: the Baltic states, Karelia, the Kola Peninsula, Komi, and certain counties around Leningrad.

"It is a more West European way of doing business. It is possible to trade more directly, and that means that trade flows more smoothly than usual," says

Hans Andersson, department head in the Trade Section of Sweden's Ministry of Foreign Affairs.

The intention is that there should be balanced trade, but the Soviet Union and Sweden disagree on how that balance should be achieved. The Soviet Union says that the firms should be in balance: a Swedish firm selling goods worth a certain amount to the Soviet Union should import an equal amount. Sweden, on the other hand, feels that there should be overall balance between the two countries.

The two countries can quarrel about that, but no matter how you calculate it, their trade has never yet been in balance. In 1984, when an official agreement on border trade was signed, the Soviet Union imported 7 million kronor worth of goods in border trade and exported 17 million kronor worth. In 1985, its imports totaled 20 million kronor, while its exports totaled 47 million kronor. Ordinary trade between the two countries is limping along more or less in the same way: in 1985, the Soviet Union imported 2.6 billion kronor worth of goods and exported 5.6 billion worth.

Sweden sells primarily consumer goods, domestic appliances, tools, and minor workshop equipment through border trade. Sweden buys raw materials from the forest (wood for pallets and so on), furniture, elk meat, berries, and fish products.

Unfamiliar With Sweden

"We would like to see the Russians buy more from us. The problem is that they are unfamiliar with Sweden. Border trade has its limitations and can never become really big--it might double or triple within a few years," says Gosta Ernborg, who is in charge of Soviet affairs for the Export Council.

Extensive border trade is engaged in by Johnson & Company, which has traditionally good ties with the Soviet Union. The IKEA has just entered the field, as has the KF [Consumers' Cooperative Union], which imports wood.

11798

CSO: 3650/281

TRAINING, MISSION OF ARMY'S ELITE UNIT DESCRIBED

Copenhagen BERLINGSKE TIDENDE in Danish 27 Jul 86 Sect III p 6

[Article by Nils Eric Boesgaard: "The Armed Forces on the Job (4): A Chasseur Went on a Chase"]

[Text] The Chasseur Corps, the fiercest of all the army's units, is not only Denmark's answer to Britain's Special Air Service and the USA's Green Berets. It also teaches all the others how to parachute, swim 10 kilometers in full field gear, and sabotage.

"Dear Chasseur Corps: Would you please help us set up our playground?" This was about how a letter read which the fiercest of all the army's units, the Chasseur Corps, recently received from a nursery school where the children and teachers together had reached the conclusion that if anyone knew how an action course should be set up it must be the chasseurs.

As far as the action course is concerned, they had certainly hit upon something true, but otherwise there is certainly nothing nursery-school-like about the Chasseur Corps, as BERLINGSKE TIDENDE experienced the other day on combat patrol and in whirling parachuting from the back of a Hercules airplane.

There are no others who, as the chasseurs, can live in and off nature, disappear in the terrain and take an enemy by surprise. The chasseurs are quite a class by themselves. They have their own daily uniform which only they have permission to wear. Their black-spotted camouflaged combat uniform has its own distinctive character with the camouflaged rowdy's hat; yes, even their weapons are different from those of the rest of the armed forces. It is the world's most advanced machine pistol--the 5.56-mm-caliber West German Heckler and Koch.

There is a tinge of drama and secrecy-filled mystery around the Chasseur Corps, "but although they can have secret missions assigned to them in a war situation, there is nothing mysterious about the daily training," relates their commander, Lieutenant Colonel N.H.L. Beck, in his office at the headquarters at Ålborg Air Station.

Only Volunteers

"The Chasseur Corps consists exclusively of voluntary personnel who are trained to fulfill missions behind enemy lines. The patrols can infiltrate by land, be dropped from the air, or land from the sea. Today we possess considerable expertise in carrying out reconnaissance missions, sabotage and minor combat missions," Lieutenant Colonel Beck adds.

For natural reasons, physical training plays a very important role in the training and everyday life of chasseurs.

"The soldier who wants to be admitted to the Chasseur Corps must be sufficiently talented to at least be able to manage a sergeant's training. He first takes a seven-week candidate's course," Lieutenant Colonel Beck relates:

"It is open to all voluntary male personnel up to and including the rank of captain. The purpose of the course is to give the participant the skills so that he can join a chasseur patrol. This includes physical education and training, self-reliance tests, patrol training, marksmanship training, survival techniques, pioneer training, first aid, map reading, long-distance identification, basic telegraphy and training in combat swimming."

"When this training has been completed, the chasseur candidate continues in an eight-week course in patrol duty, a combat swimming course with the Naval Frogman Corps--where they learn to swim for 10 kilometers in complete field gear--and finally a parachuting course, which finally after a total of 19 months of extremely rigorous training gives the now completely trained chasseur the right to wear the much coveted burgundy-colored beret. But it is first after another year's daily training and service in the corps that they are permitted to sew the little plain embroidered 'Jaeger' [Chasseur] on the arm of their uniform, a title which even generals wear with pride."

"Incidentally, the Chasseur Corps does not train chasseurs exclusively. Officers and non-commissioned officers from all services take part in the Inspector of the Army's combat patrol course, with the objective of being able to act as instructors in combat patrol operations in their own units, and candidates from the officer's schools each summer take a now obligatory course in parachuting," Lieutenant Colonel Beck relates.

Burgundy Beret and Hunting Horn

The name "Chasseur Corps" and the emblem with the hunting horn and Christian VII's crowned monogram the chasseurs inherited from the Zealand Chasseur Corps, which was established in 1785. With time it came to be called the Second Chasseur Corps, a name which later again, with a characteristic Danish lack of feeling for tradition, was devalued to the 18th Battalion.

It was natural to look back into history when the army found in 1960 that a need had arisen for a special unit like Britain's Special Air Service, or SAS, and the USA's Rangers.

At the end of the 1700's the Zealand chasseurs had to complete both military training and civilian forestry training so that after being sent home they could fill jobs in the forestry service.

Their military mission was "to cover an army corps not just against an enemy surprise attack and cunning attacks, but also against the enemy's daring reconnaissance," as it reads in the old official description. Thus, largely speaking, the same as that of the Chasseur Corps today.

The unit, which comprises a scant 100 men, was established in 1961 and first got a green beret as a mark of distinction like that of the British and American commandos; but when several other units over the course of time conferred green caps on themselves, the chasseurs in 1968 changed over to a burgundy-colored parachutist's beret with the chasseur emblem on a black background.

The Chasseur Corps works closely together with the equivalent units in our NATO allies' armies. But it differs in an essential point from, among others, the British SAS regiment. It has, Lieutenant Colonel Beck points out, "no antiterrorism or police duties."

8831

CSO: 3613/184

CONSTRUCTION ON PRESTOCKAGE FACILITIES FOR ALLIES UNDER WAY

Oslo AFTENPOSTEN in Norwegian 4 Aug 86 p 3

[Article by Jon-Arnar Fordal: "Big Jobs in Five Trøndelag Municipalities: Prestorage Facilities Being Built"]

[Text] Incredible amounts of rock are being blasted these days from Trøndelag mountains. The construction of one of the largest military facilities in our country, prestorage facilities for allied equipment, is in full swing. Over the course of two hectic years 750 million kroner will be used to build storage facilities for several thousand tons of allied equipment.

Blasting for the first storage facility began already in the winter, and during the course of the fall there will be activity at all of the storage facilities which are to be built in Central Norway. Several hundred workers will be employed during the construction period. The last facility will be completed before 1990.

Brigade

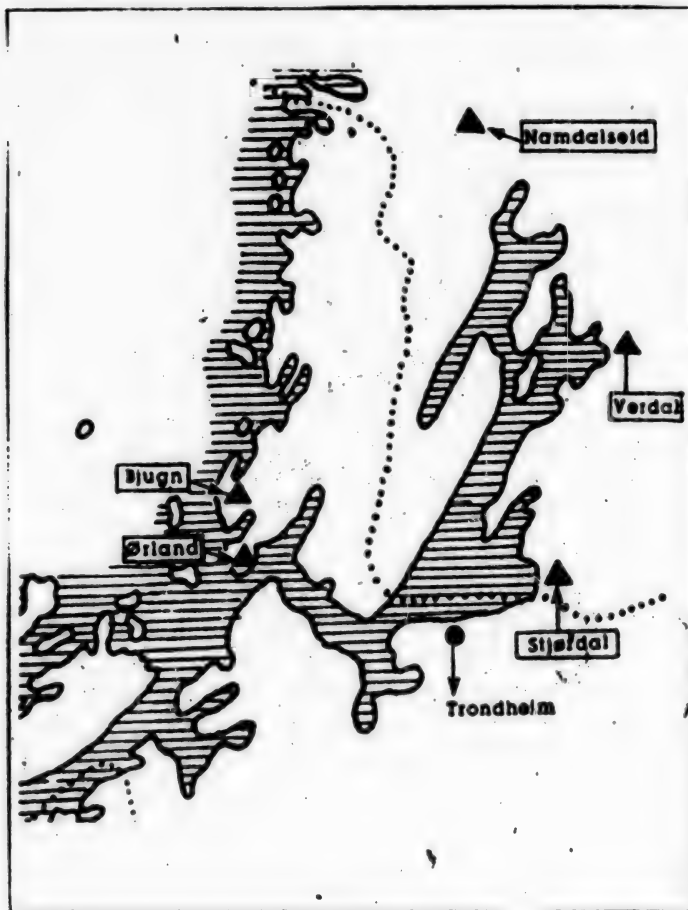
Some of the equipment which is to be prestocked in this part of the country has already arrived and been stored temporarily, but the majority will come first when the storage facilities are finished. The next few years Trøndelag will constantly receive calls of ships with American military equipment. For there is a lot to come. Vehicles, howitzers, ammunition, fuel and supplies by the thousands, and equipment for 150 planes and helicopters. The planes and helicopters will not be stored in Norway. The equipment is sufficient for an entire marine infantry brigade of 10,000 to 12,000 men.

At the same time the Vaernes and Ørlandet airfields will be re-equipped to be able to receive the Americans if they should find it necessary to come. Vaernes, which is also a civilian airfield of great importance, has been partly closed all summer. The airfields will first be completely expanded in the early summer of next year. Two hundred and fifty million to 300 million kroner are being used just for re-equipping the airfields.

Thirty to 40 percent of the three quarters of a billion which are being invested is Norwegian money. The storage facilities will remain Norwegian property, so that land acquisitions and the development of waterways and

roads are Norway's responsibility. The rest of the money which will be used is NATO money. The maintenance personnel at the facilities will also be Norwegian.

It is the Trøndelag District Command which will have the responsibility for the storage facilities. Chief-of-Staff Magne Sveen says that although NATO was initially skeptical of the solution with storage facilities in the mountains, because of the cost, he reckons that all parties are now satisfied with the fact that this was the choice.



The storage of allied military equipment is taking place in Namdalseid (ammunition), Verdal (equipment), Stjørdal (ammunition/equipment), Bjugn (equipment) and Ørland (ammunition).

Stone in "Payment"

None of the five affected Trøndelag municipalities has been especially enthusiastic about getting the prestorage facilities. The opposition has been pronounced, and strict conditions were set for permitting the armed forces to build. Millions worth of stone is the compensation the armed forces

are providing. The stone will give the municipalities new roads, fill for residential and industrial areas and training grounds, and a lot more.

The municipality of Stjørdal is the municipality which will get to notice the prestoring most strongly. Two of the facilities will be placed in Stjørdal and at the same time Vaernes Airfield is only a stone's throw from the busiest business street. Vice-Mayor Håvard Altstadheim of the municipality of Stjørdal says that he and very many along with him do not at all like the emplacement of prestorage facilities and the re-arming of the airfield.

Greater War Risk

"The armed forces told us that if everything goes according to plan the forces will just be made ready quickly here before a war starts. Actually we think that the danger of military actions immediately here will increase when we get all this equipment here. In a war everything will happen concomitantly. For this reason we have also not had such great confidence in the armed forces when it is said that the risk of war in Stjørdal has not increased by the very act of prestocking."

The plans regarding the prestocking hit the municipality suddenly. Alstadheim relates also that it took time before the municipality entered into constructive negotiations with the armed forces. "When we first made contact we made good contact. For this reason we are in fact well pleased with the package solution we managed to negotiate to," he says.

A combined sports arena and bomb shelter several million kroner less expensive than if the municipality were to build it itself, the clarification of land development around Vaernes Airfield, lots of stone for various road projects, a training ground for motor vehicles, a motor vehicle crossing and fill for an industrial area are what the municipalities will be left with after the prestorage facilities have been completely built.

The armed forces have entered into equivalent agreements with the other municipalities. The armed forces are giving away tens of thousands of cubic meters of blasted-out stone, which the municipalities can utilize in many different ways. Details of the agreements still remain for many of the municipalities, the chief of staff of Trøndelag District Command, Magne Sveen, reports to AFTENPOSTEN.

"How large sums we are giving in compensation to the municipalities which are getting the prestorage facilities it is difficult to say. Blasted-out stone can be a problem for us to have removed, and for the municipalities it is welcome for many development purposes. In addition we have obligated ourselves to solve other problems which vary from municipality to municipality," Sveen says.

Few Permanent Jobs

Apart from during the construction period, there will be few jobs in the wake of the prestorage facilities. A total of only 30 to 40 permanent jobs is

being figured on. However, now during the construction period local contractors are experiencing Klondike conditions. One from before the hectic construction activity in the section of the country caused machines to be brought all the way from North Norway in order to get the work done.

Dangerous Beforehand

It appears that most have adapted to there being prestocking in the municipality. In any case, a little poll which AFTENPOSTEN conducted on the street in Stjørdal showed this.

"A bomb is a bomb. Stjørdal has long been a vulnerable place in a crisis situation. I do not think it will be so much more dangerous after this. It is difficult for us ordinary people to understand the dimensions and importance of these matters," Nils Rømuld says.

Gunn Tone Krokengen has not familiarized himself so well with what is happening at the location at the present, but he thinks the prestorage facilities are necessary if we are to be able to protect ourselves. He accepts the fact that Stjørdal is becoming even more vulnerable, but he says there are many places which are vulnerable now.

8831

CSO: 3639/142

TOUGHER TRAINING FORESEEN AS PART OF 1987 DEFENSE PLAN

Stockholm SVENSKA DAGBLADET in Swedish 22 Jul 86 p 6

[Article by Erik Liden]

[Text] Tougher and more intensive conscript training than that in existence today is currently being planned by the military staffs. Spokesmen for the conscripts support the demand for more effective training. This was expressed by the Conscript Training Committee, among others.

A primary reason for the tougher training is the need for better preparedness throughout the Armed Forces. The Army is currently at a low level of basic preparedness, with permanent overnight leave and free weekends lasting from 1600 hours on Friday until 0730 hours on Monday. The demand now is that exercises should last for 9 full days, with 5 full days of leave to follow during the last 3 or 4 months of basic conscript training. A system for rotating training among different regiments will provide time off from training on all weekends for at least 50 percent of the age group called up.

Camps To Be Used More Often

Military posts need not be used only for accommodating troops. They can also be used as shooting ranges with tent accommodations or as camps for refresher courses with modern huts and sanitary facilities. Those camps would then be used continuously, not only during the major refresher courses held in February and March and in September and October.

The Army trains nearly 40,000 conscripts annually, so the proposal to provide tougher training would affect primarily those conscripts. The tougher system is already being tried out in both the Navy and the Air Force with lengthy tours of continuous duty. This is happening at the Coast Artillery's outlying locations and at the Air Force's wartime bases.

Conscripts Favorable

The conscript movement, represented by the Swedish Central Council of Conscripts, has long been calling for more and better officers and NCO's. If the Defense Committee goes along with the intention to reform training and

Minister of Defense Roine Carlsson includes it in the government bill that will be submitted on 10 May of next year in advance of the 1987 defense decision, it will be supported by the conscripts.

The proposal will cost money, since overtime and so on for officers and NCO's on active duty in peacetime fetches the same price as in the rest of the labor market. But Army Headquarters wants to see if that cost will be offset by greater effectiveness and, eventually, better wartime units.

One dilemma at the moment is the fact that the Army went over its budget in 1985-1986, a situation that is also affecting this year's training funds.

The total that must be provided comes to 100 million kronor, and if the new training regimen is to be implemented as early as 1987-1988, at least another 100 million kronor will be needed.

11798

CS0: 3650/281

DISTRIGAZ OFFICIAL DEFENDS ALGERIAN NATURAL GAS DEAL

Brussels LA LIBRE BELGIQUE in French 17 Jul 86 p3

[Interview with Jacques van der Schueren, president of Distrigaz's board of directors, by Pierre Loppe, date and place not given, questions and answers in French]

The president of Distrigaz's board of directors, Mr Jacques van der Schueren, explains his view of the terms of the interim agreement signed Wednesday with the Algerian company Sonatrach. Question number one: was he surprized by the various negative reactions?

[Answer] Not at all. I have a few reservations myself. The agreement must be seen within a very specific energy context and it must be remembered that it is only an interim agreement. We have given ourselves a year to tackle the underlying problems. In the meantime, we had to agree on prices, quantities and methods of transport. On these three essential points, we got results. True, they are not altogether satisfactory. I would be the first to agree with that.

A Serious Risk?

[Question] Wasn't there any way, at that point, to do better?

[Answer] If you ask me whether it is a good or bad agreement, I will answer that it's not a good one. It is probably the least bad one that we could hope to obtain.

We always considered the filing of our request for arbitration a preservative measure, with the understanding that an effort would be made to obtain a negotiated agreement. When we learned that the French and Spanish had agreed on new prices, we told ourselves that we were in a very dangerous position.

Why? As soon as our request for arbitration was filed, we had unilaterally decided on the quantities that we would purchase and the prices we would pay the Algerians. We opted for 2.5 billion cubic meters and a relatively--if not extremely--low market price. If the arbiter had found us to be at fault, as time went on, we would have found ourselves faced with a risk which we calculated at several billion. This, of course, was excessive.

[Question] The Spanish, whose situation is nearly comparable to our own, obtained better conditions, both with respect to volume and prices. Doesn't this bother you?

[Answer] Negotiations were so lengthy that they cost Spain a great deal in the end. Indemnities of several hundred million dollars had to be paid. You have to consider the whole picture.

It's Our Responsibility

[Question] Doesn't the fact that the government limited itself to "taking note" of the agreement have to be interpreted as a sort of disavowal?

[Answer] Frankly, I don't think so.

[Question] The minister of economic affairs has censured Distrigaz for having negotiated alone, without informing the government.

[Answer] This is something that I can't concede. Negotiations were carried out between two companies, in accordance with the explicit desire of the government, which reserved the right to say what it thought of them. It should not be forgotten either that the public authorities are 50 percent represented in the board of directors, that there is a state commissioner and two presidents representing the public authorities. It is obvious that the state must be kept informed. This is what was done. On June 19, several days after the Paris agreement, we spent two hours explaining our position. Mr Maystadt was not there. Neither was Mr Knoops. I'm not blaming them, but it isn't easy to meet ministers and cabinet heads who are there one time and absent another.

The reason why the government limited itself to "taking note" of the agreement? My good friend Mr Knoops is holding a grudge against Distrigaz. He has never completely swallowed the fact that the two leaders he wanted to see go are still there. From there to telling his friends--I have exact information on this point--that it is a bad agreement, there is a leap that has to be made.

[Question] Your personal position has also been brought up. In addition to your functions at Distrigaz where you represent . . . public . . . interests, you are vice-governor of the Belgian General Company and president of Tractebel. Can these different interests be reconciled without ambiguity?

[Answer] I am not president of Distrigaz for my own health.

Believe me, I have other things to do. This company needs to be calmly put back on track. If I can make a contribution, why not? I did my homework before accepting, aware that, besides a coalition government, there was an opposition.

Mr Busquin? Scandalous and Sickening

[Question] Although it was discreet at the time of your arrival last year, the opposition reared its head in the person of Mr Philippe Busquin in Parliament last week . . .

[Answer] I did not greatly appreciate this interpellation. When Mr Busquin stated that I signed the agreement solely to protect the interests of the Algerian General Company, I found it scandalous and sickening. The socialist deputy is clever enough to inform himself on Algerian problems, particularly gas problems. He could ask his political friends to enlighten him.

This said, as a citizen of this country, I also firmly intend to export our products.

Algeria is one of the third-world countries with whom we have considerable trade exchanges--which should grow.

[Question] How did you react personally to the criticisms of the secretary general of the audit committee, Mr Hons?

I think the latter let himself be taken by surprise by some reporters. I'm giving him the benefit of the doubt. All the same, Mr Hons has no business setting himself up as a judge of the committee's motions. The latter was explicit enough.

[Question] Overall, the criticisms leveled against Distrigaz these last few weeks do not leave you bitter or grudge-holding?

[Answer] Absolutely not. On the contrary, I think they will facilitate future negotiations.

[Question] Will the agreement be reviewed or signed as is?

[Answer] Signed, of course! Messrs Havaux and Van Hecke will be in Paris this coming Wednesday for the occasion. I have already signed the document. I would like to be very clear about this: no one forbade us to commit ourselves. The only body with the authority to influence this choice is the company's board of directors. It unanimously gave us the green light, with one abstention (a cabinet member awaiting instructions). The audit committee gave its approval, the government has pronounced itself . . .

[Question] And if it had said no?

[Answer] It would have received my resignation the same day.

Not a Single Extra Centime Per KWH

[Question] The primary subject of controversy, however, is still the additional cost brought about by this agreement.

What about it? It was said that your figures were a little confused, especially for the KWH price increase, for which a 0.65 centime hike was cited. . .

[Answer] The 500 million cubic meter surplus will be distributed, as we've said, among distributors of electricity and a few large "interruptible" customers. On reflection, we were able to assure Mr Maystadt that there would not be the least increase in the KWH price. This was done by cutting back on imported oil and coal. There will therefore not be one centime in increase.

[Question] The shipment of gas to Zeebrugge will be done aboard two methane carriers, the second one Algerian. The surcharge is particularly high, 800 million it's said . . .

[Answer] This is a problem I'm not very comfortable about, I must admit. We were very firm in negotiations in order to arrive at cost conditions acceptable to both countries. The agreement is effective for one year, like the rest. If the terms are not honored, legal recourse is a possibility.

It is pretty uneconomical to transport 3 billion cubic meters on two ships, I admit, but the situation will improve somewhat next year when the journey is longer.

The Problem of the Ship

[Question] In the meantime, gas consumers are going to feel the effects . . .

[Answer] Distrigaz will have to make a great sacrifice, considering the prices in effect for industrial customers. Likewise, the company will have to assume the burden for a part of the additional cost brought about by the second ship.

I readily acknowledge that the consumer will be indirectly affected through the "G" (public distribution coefficient). We must not forget that although the French price--our point of reference--is too high, it has dropped considerably compared to what it was 1 January. This trend will grow during the second and third trimester. Drops of 30 to 40 percent have been cited, which is not after all so bad . . .

[Question] What do you estimate Distrigaz's loss to be?

The 1986 fiscal year will just barely end with a balance. For 1987, it is still questionable.

The Terminal, that "Huge Contraption"

[Question] So much for the interim agreement. What about later negotiations with Sonatrach? What are your objectives? Hopes?

[Answer] We will see the Algerians again in September, in Belgium. The value of the interim agreement, I think, was that it brought the two partners closer together. We are going to visit the Zeebrugge terminal together. Remember that the Algerians are still hoping to reach an agreement with the Germans. If they

manage to clinch such an agreement--which is not at all in the bag--they would be interested in using the gas terminal, that huge contraption which cost us an arm and a leg. In the hope that this would be somewhat profitable, I would say bravo!

We will take stock in September. We will have to play on three fronts: quantities, prices and transport, knowing from the start that our absorption capacities are limited. This is a handicap. Sales calculated as a percentage of our needs may be an interesting option to pursue.

But look at recent events. What will the government decide about the eighth nuclear plant, the "N8"? I don't know. The best thing to do is not wonder about it too much before the end of the year. If it were finally decided at a given point in time that there was no longer any place for nuclear plants, it would be necessary to follow a policy of diversification, including gas as well. On this basis, there is no reason why we can't think about larger purchasing agreements, on the order of one billion cubic meters for example . . .

Our Algerian interlocutors also do not rule out one-at-a-time transfers abroad. So that upcoming negotiations may be fairly different from those which have taken place up to now . . .

A Dual Pricing System?

[Question] All this relates to quantities. What about prices?

[Answer] The possibility of a dual pricing system, depending on the customer, exists. One must be extremely cautious, I know. After having favored the nitrogen people, we had to deal with the grievances of the Hoeilaert greenhouse proprietors and many others . . .

9825

CSO: 3619/59

MODEST INCREASE IN ELECTRIC POWER CONSUMPTION

Helsinki HUFVUDSTADSBLADET in Swedish 16 Jul 86 p 8

[Article: "Modest Increase in Electric Power Consumption"]

[Text] In the past 12 months electric power consumption increased by just slightly more than 1 percent, while 1 year previous the increase was 8 percent. The reason for the earlier increase, according to the Finnish Association of Electric Power Plants, was the record cold winter among other reasons.

In addition to the fact that the winter was not as cold this year, the strike by the Central Federation of Trade Unions and a downward turn in economic conditions contributed to a slower rate of expansion.

The Association of Electric Power Plants believes that electric power consumption will increase in the latter half of the year. The increase for this year would be at most three or four percent. In the past three years, electric power consumption has increased twice as fast. By the end of July this year, Finns had used 51.5 billion kilowatt hours of electricity.

Nuclear power accounted for one-third of the electricity produced.

Hydroelectric power and power from back-pressure turbines accounted for approximately one-quarter of total production, and imported electricity made up about 10 percent. The remainder of about 7 percent was generated by coal.

The amount of electricity produced by nuclear power has increased somewhat during the year.

12789/12899

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INCOME FROM OIL, GAS DECLINING

Statoil Spokesman on Oil Prices

Oslo AFTENPOSTEN in Norwegian 4 Aug 86 p 25

[Article by Morten Woldsdal: "Norwegian Oil Also Down to 10 Dollars"]

[Text] Geneva. Now the price of Norwegian oil has also dropped to around 10 dollars a barrel after it was on average at over 15 dollars the first half of this year. Statoil Information Chief Willy H. Olsen will also not rule out the fact that Norwegian crude oil is being sold at the present for under 10 dollars a barrel.

Almost no Norwegian oil is being sold in the so-called spot market, where in the last few weeks prices for British North Sea oil of all the way down to eight or nine dollars have been recorded.

Statoil handles close to half of Norwegian production, and 85 to 90 percent of this oil is sold on a firm contract basis. The other companies' share of the production largely speaking goes into their own refining systems.

Willy H. Olsen of Statoil reports to AFTENPOSTEN that a tanker cargo with oil from the Statfjord field was sold in the spot market this summer. Because of fluctuations in production, he expects that perhaps another cargo will be sold in the free market early this fall. At times oil from the Ekofisk field is sold in the spot market.

Secret

Nearly two years ago the State oil company introduced a system with secret market-related contract prices. The prices reflect prices in the spot market. They are set on the basis of how the seller and buyer expect the spot market to develop. "In a market with dropping prices, our prices will thereby be somewhat higher than in the spot market, and in a rising market they will be somewhat lower," Olsen says.

This has involved the fact that Statoil up to now this year has largely speaking gotten more for oil than the bottom quotations in the spot market

would dictate. "The first half of this year our prices were well over \$15 a barrel," he says.

Under \$10?

According to him Norway's prices have not yet been down to \$8 or \$9 a barrel. But he will not rule out the fact that they have been under the \$10 limit.

"In any case I will not rule out the fact that they can land below \$10," he emphasizes.

The Finance Ministry's latest figures show that with an oil price of \$10 a barrel the oil companies will pay 33 billion kroner in taxes this year and only 8 billion in 1987. However, for the present year taxes will probably be somewhat higher than this, for the average price the first half-year was above \$15 a barrel. Almost 47 billion kroner were paid in by the oil companies last year.

The taxes which the oil companies will accrue this year and next year will, at \$10 a barrel, be, respectively, 13 billion and 5 billion kroner, versus close to 48 billion in 1985.

Gas Price Drops Less

Oslo AFTENPOSTEN in Norwegian 4 Aug 86 p 25

[Article by Flemming Dahl: "Gas Revenues Will Drop by Billions"]

[Text] Sales revenues from the gas fields in the North Sea are on the point of dropping by amounts in the billions as a result of the last half-year's price drop for crude oil. But whereas crude oil prices have been reduced by a third, gas-selling oil companies believe that the beginning gas price drop will be somewhat less dramatic.

"We are very eager to see how this will develop," says an oil company director about crude oil prices' aftermathing effect on gas prices. He hints that the gas his company sells perhaps will drop by one half in the month to come, but stresses that the outcome can be different.

Last year, as a rough estimate, 25 billion cubic meters of gas were sold from Norwegian fields, which produced an estimated 25 billion kroner in gross sales revenues. This year's sales are expected to be about just as great in volume, while the gas price drop will produce a negative effect on the revenues side.

No Surprise

That gas prices are dropping comes as no surprise to oil companies or tax-collecting authorities. Both sides included a considerable drop when recently they made gloomy forecasts of sinking revenues in coming months and years.

Because gas prices are indirectly tied to crude oil prices, but with an aftermathing effect, a considerable gas price drop will be almost inevitable.

Finance Ministry Department Head Leif Kolbjørn Ervik says that the authorities roughly estimate a 6- to 12-month aftermath in gas prices when crude oil prices drop, but also when crude oil prices rise.

Gas revenues constitute a major portion of what is popularly called Norway's "oil revenues." Politicians, especially, often use this conception when they in reality are talking about what the State will get in the form of taxes and fees from the petroleum business, i.e., the oil and gas business.

But because it is the oil companies--not the individual oil and gas fields--which are taxed, it is difficult to calculate precisely how large revenues are derived from oil and gas respectively.

The contracts for the sale of Norwegian gas to European countries contain stipulations for the periodic adjustment of prices. A common feature of the contracts is that the adjustments are to take place on the basis of price fluctuations for competing energy sources, especially petroleum products.

Experience has shown that prices for petroleum products drop several weeks or months after crude oil prices. But varying duties on petroleum products in countries where Norwegian gas is sold contribute to the fact that petroleum product prices--and thereby gas prices--do not necessarily drop as much as crude oil prices.

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ECEVIT DENIES NEED FOR NUCLEAR POWER

Istanbul TERCUMAN in Turkish 23 Jun 86 p 3

[Text] Former Prime Minister Bulent Ecevit, in explaining his views on the subject of the construction of nuclear energy plants in Turkey, said that proper importance has not yet been given to local energy production. Ecevit said, "For Turkey to proceed with the construction of nuclear power facilities--which are expensive, dangerous, and increase our dependency--without even trying practical means, is for the present unnecessary."

Responding to a question by the National Press Agency (UBA) as to whether Turkey at the present time needs nuclear power facilities in order to solve its energy problem, Bulent Ecevit said that even in very technically advanced countries such as the United States and the Soviet Union, where safety and environmental measures can be applied in an effective and orderly way, doubts have arisen about nuclear power facilities since it is not possible to prevent accidents and leakages beyond a certain point and to protect the environment, and that a tendency has begun in these countries to avoid the construction of new facilities.

Stating that this tendency will not mean that nuclear energy production will be totally discarded, Bulent Ecevit said, "But at least it is clear that a need is being felt to further develop the technology involved in these facilities, to make more effective the measures to prevent accidents, leaks, and environmental pollution and, until this is achieved, to postpone or slow down the construction of new nuclear plants."

Gokova Example

Stating that Turkey's power plants that operate on coal, as well as its copper works and its industrial establishments in general have polluted the environment to a dangerous degree and yet adequate measures have still not been taken, former Prime Minister Bulent Ecevit said, "The complaints and warnings coming from the people are not being heeded. The Gokova example is the most recent evidence of this."

Ecevit said that if similar negligence were shown in the matter of nuclear power stations, the results would be extremely risky.

Cheap Energy

Ecevit claims that Turkey can comfortably wait for technological developments, "because, as regards energy production, Turkey still utilizes only a very small portion of its water, coal and gas resources. These resources in our country are extensive enough to meet Turkey's electric energy needs more cheaply and efficiently for a long time to come than nuclear power facilities."

Bulent Ecevit stated that nuclear energy production at this stage would make Turkey more dependent on foreign countries, whereas the energy that will be more cheaply obtained from our own sources will strengthen Turkey's independence. Bulent Ecevit also made these remarks on the subject:

"Proper importance has not yet been given to local energy production in Turkey. However, whether on the shores of the Black Sea or in other areas of our country, there are natural resources that can meet the energy requirements of small communities. There are waters that flow unharnessed.

"Lakes and ponds which have vast deposits of salt have not even been tapped for energy production in our country.

"And in the rural area, not enough importance is given to energy production from manure. Yet, this also increases the value of manure in farming.

"Moreover experiments by several countries in recent years have shown that, by taking some simple measures, savings of up to 20 percent can be achieved in an interconnected system. In other words, by doing away with energy losses in distribution, an increase of up to 20 percent in the amount of usable energy can be achieved without building any new power facilities."

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CLEANLINESS OF CATALONIAN BEACHES SEEN IMPROVING

Barcelona LA VANGUARDIA in Spanish 21 Jul 86 p 11

[Text] There are still 18 beaches in Catalonia that do not meet the minimum sanitation requirements in Spain today. These stretches of shoreline notwithstanding, considerable headway has been made in improving cleanliness at Catalonian beaches. The Catalonia Cleanup Plan, which was created by an act of Parliament, has provided for a series of improvement projects. These projects (sewers, outlets, waste-treatment plants) are the only effective way to insure healthy conditions for beachgoers.

The greatest threat to beachgoers along the Catalonian coast is contamination from waste matter. Many sewers did not have the technical features needed to prevent contamination. For example, in Badalona there were 14 sewers that emptied offshore, and conjunctivitis and rhinitis were common among beachgoers.

Protection From the Sand

Ocean pollution can cause a variety of skin, eye and ear ailments. Bathers are cautioned to avoid contact with polluted waters. Moreover, beachgoers are forewarned about the danger of spreading their towels near sewers or dumping sites and are advised to always lie on a towel on the beach, never directly on the sand, and to always shower with soap and water after returning from a swim. Many of the skin ailments that are so common among beachgoers during the summer are caused by contamination of the sand, not the water.

The network monitoring beach pollution in Catalonia comprises a total of 148 sampling stations on 112 beaches in 58 municipalities, according to a report from the General Directorate of Health Promotion of the Generalitat [Catalonian Parliament]. These stations take samples weekly from 15 June to 15 September and monthly for the rest of the year.

Changes from one day to the next or even in a single day are at times detected at the same spot, because several factors are involved in pollution, such as the tide, the wind, the fluidity of the local sewer and dumping by vessels off the coast.

Outlets and Waste-Treatment Plants

Recent sanitation projects have made for improved cleanliness at Catalonia's beaches. Twenty-eight waste-treatment plants were in operation last year along the Catalanian coastline, and 60 percent of isolated Catalanian industries (those not in an industrial park or in urban areas) along the shore also had waste-treatment facilities.

Underwater outlets are another effective method of combating ocean and beach pollution. There are 107 of these outlets in 69 municipalities in Catalonia, and 70 of them are more than a half-kilometer long. In addition, machinery has proven to be indispensable in keeping the sand clean.

Contaminated sand is the result of water pollution, fuel residues illegally dumped at sea by boats and, often, the negligence of beachgoers.

Trash Bins and Showers

Over the past 4 years 2,200 trash bins and almost 300 showers have been installed along Catalanian beaches. The tourist municipalities would like to make their use commonplace.

The capacity of the 400 beaches along 270 kilometers of shoreline (not including those at the delta of the Ebro) has been estimated at 2 million people. At present, even on the most crowded days, only slightly more than a million are stretched out under the sun tanning themselves.

In spite of the length and capacity of the Catalanian coastline, most tourists and beachgoers concentrate in a few areas, such as the Costa Brava, where one seventh of Barcelona residents spend their vacations, while another 15 percent head for Gerona beaches.

Thus, the problems and functions of Catalanian beaches are quite different. While most beachgoers head for the northern coast, along the Ebro delta, which covers some 250,000 hectares, there are practically untouched areas that could accommodate around 400,000 people.

In all there are 3,000 hectares of beaches in Catalonia, although close to 70 percent of bathers head for the stretches from Cambrils to Cunit and from Arenys to Roses.

While 10 beaches accommodate almost 30 percent of them—Castelldefels, Llevant (Salou), Calella, Sabanell (Blanes), Torredembarra, Gava, Platja d'Aro, Comarruga, Barceloneta and Lloret—another 159 beaches are used by fewer than 100 bathers each. These are small coves not easily accessible by car but within reasonable walking distance.

Trend in Cleanliness at Catalonian Beaches

<u>Type</u>	<u>1982</u>		<u>1983</u>		<u>1984</u>		<u>1985</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Clean beaches	52	50	77	71.29	89	77.39	95	81.89
Unhealthy beaches	28	26.92	27	25	22	19.13	18	15.51
Level A*	--	--	--	--	22	19.13	18	15.51
Level B	--	--	--	--	59	51.3	58	50
Level C	--	--	--	--	17	14.78	30	25.6
Level D	--	--	--	--	13	11.3	10	8.6
Total not evaluated	24	23.07	4	3.7	4	3.47	3	2.58
Total sampling points	142		145		151		152	
Total beaches	104		108		115		116	

*The A to D scale is from most to least hygienic.

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